

# DAILY REPORT

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*China*

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REPORT ON 'RIFTS' BETWEEN U.S., NATO ALLIES

OW290136 Beijing XINHUA in English 0121 GMT 29 May 84

[Text] Brussels, May 28 (XINHUA correspondent Liu Fangan) -- Foreign ministers of the North Atlantic Treaty Organization (NATO) are gathering in Washington today for a three-day meeting on East-West relations and other security issues. The meeting, however, may not proceed smoothly toward achieving its goals, NATO experts predicted. Late last year, NATO began deploying intermediate-range nuclear missiles in West Europe, bring the bitter Euro-missile dispute among the allies temporarily to a halt. Some other differences within the alliance also seemed to have been patched up. But new problems have arisen since then, which may thwart the objectives of the current NATO meeting. Despite the United States' initial success in deploying new missiles in West Europe, there are indications that the Euro-missile issue is still a hot topic within NATO.

The disarmament talks between the two superpowers are now at a stalemate, and no progress can be expected before the end of the U.S. presidential election. The Soviet Union, in retaliation against NATO's deployment of the missiles, has started installing its own new missiles in the German Democratic Republic and Czechoslovakia, and has increased the number of its warships equipped with nuclear-tipped missiles along the coast of the United States.

Meanwhile, several NATO countries have registered their opposition to continuation of the planned deployment of intermediate-range missiles in Europe. Holland, which is scheduled to be the site of 48 cruise missiles, recently announced that it is likely to reduce the number of the missiles or even drop the deployment altogether. The announcement promoted a heated debate at the NATO defense ministers' meeting more than ten days ago, which, as NATO Secretary General Joseph Luns put it, has posed a serious threat to NATO unity. To make matters worse, the Danish Parliament overwhelmingly approved a motion early this month to withhold payment of 7.5 million U.S. dollars which were to be used by NATO to finance the deployment of new U.S.-built missiles in West Europe.

NATO experts are also worried about the rifts between the U.S. and its Western allies on NATO strategy. In recent years, the U.S. has been expanding its military strength, vying with the Soviet Union for hegemony throughout the world. The NATO allies, however, have been trying hard to develop their circumscribed independence, calling for a policy of "defense plus detente." While reinforcing their defense capabilities, they seek better cooperative economic relations with the East European countries.

According to NATO sources, the current meeting will deliberate a proposal on East-West relations advanced by Leo Tindemans, Belgian minister of external relations, and will issue a "Washington declaration" based on the proposal. The declaration urges that the unity between the U.S. and its Western allies be reinforced, and that adequate deterrent forces be maintained, and calls on the Soviet Union to return to the negotiating table at an early date. However, because of the differing views held on either side of the Atlantic Ocean, it is doubtful that a joint "declaration" will carry any weight. And given the current state of relations within NATO, it is unlikely that the meeting will proceed without any hitches or that it will achieve much in the way of positive results.

BA JIN ON NUCLEAR AGE LITERATURE AT PEN MEETING

OW151818 Beijing XINHUA in English 1645 GMT 15 May 84

[Text] Tokyo, May 15 (XINHUA) -- A well-known Chinese writer said here today that the literature of the nuclear age need not be pessimistic. Speaking at a plenary session of the 47th meeting of the International PEN [Poets, Essayists and Novelists] Society, Ba Jin, president of the Chinese PEN Center, said writers in the world could create a better, more beautiful world for future generations so long as they join forces and rally around just causes to strike out at the forces of darkness.

The general focus of the meeting is "Literature of the Nuclear Age -- Why Do We Write?" Ba Jin's speech was warmly welcomed by the participants. The 80-year-old writer said that this topic of the meeting is well chosen, which mirrored the characteristic of the present age, and the hopes of the world people. He said that the discussion of the literature of the nuclear age brought to his mind the tragedy which took place in Japan 39 years ago. "When discussing the literature of the nuclear age, we must not overlook the present tense world situation. Foreign troops are invading others' lands, slaughtering their people and destroying their culture." "The nuclear arms race between two nuclear powers has become more intense," he said. All this, he said, has made him realize something of the writer's courage and responsibility.

Ba Jin said the general question "why do we write" is well asked, adding that he has spent his entire life trying to answer it. He held that the writer's main goal is to enrich mankind and provide some form of contentment for his or her readers. "I wrote with only one purpose in mind: To make some contribution to the society in which I lived, and to perform the duty of a compatriot to my readers." He stated that the greatest wish of all those writers who have gathered here in Tokyo to discuss the literature of the nuclear age is not to allow a single country in the world to be devastated by a nuclear bomb. He added that "we strongly oppose war, and more strongly oppose nuclear war. We advocate peace, and strongly hope for lasting peace. We do not underestimate ourselves -- the PEN has a definite power of its own -- with literature as our weapon, we can reveal the truth and expose evil, strike out at the forces of darkness, and rally around just causes." "If all the people in the world who long for peace and stand for justice could unite in a single body, take the destiny into their own hands, all world wars and nuclear conflicts could be avoided," he stressed. He continued that "the power of the people is capable of destroying nay nuclear arsenal. In the end, our wish will come true: In a world free of nuclear weapons, mankind will achieve great things by making peaceful use of atomic power. Chinese writers are ready to work together with writers of other countries for attaining their goal and do their bit for it."

In his speech, Ba Jin also hoped that the International PEN Society will pay more attention to the special characteristics and importance of the Orient and the developing countries.

CHEN MUHUA MEETS U.S. ELECTRONICS COMPANY GROUP

OW271347 Beijing Domestic Service in Mandarin 1600 GMT 25 May 84

[Text] State Councilor Chen Muhua met with the top-level delegation of U.S. (Valiant) company headed by its former president, (Edward Kingston), and President (Thompson Sigor) this afternoon. The two sides had friendly exchanges on economic and technical cooperation in electronics industry.

ZHANG JINGFU MEETS WITH U.S. INDUSTRIALISTS

OW271821 Beijing XINHUA in English 1607 GMT 27 May 84

[Text] Beijing, May 27 (XINHUA) -- State Councillor Zhang Jingfu said here today China would give preferential treatment to joint ventures established with foreign firms in the country in the marketing of goods, according to terms agreed upon for the transfer of technology. He said he hoped that those who have foresight would come to China for competition. Zhang Jingfu said this at a meeting with W. M. Blumenthal, chairman of Burroughs Corporation, in the Great Hall of the People here this afternoon. In a candid and friendly atmosphere, Zhang briefed the U.S. guests on China's economic development in recent years, saying that at the present information-intensive society, micro-electronic technology has been widely applied. "China will combine the imports of technological know-how with the expansion of trade. Provided that our foreign partners will take active steps to transfer technology, China will give them appropriate preferential treatment in the marketing of goods," he said. He said in view of the gap between China and the developed countries, China would emphasize that the technologies to be transferred to the country should be advanced and practicable.

Blumenthal said the policies that China had adopted were good. He expressed the hope to reach a long-term agreement with the Everbright Industrial Corporation on joint production of microcomputers and on the transfer of technology during his stay in China.

Present at the meeting was Wang Guangying, chairman of the board of directors of the Everbright Industrial Corporation.

Blumenthal and his party arrived here by air this morning at the invitation of Wang Guangying. It is learned that Blumenthal and Wang Guangying will sign an agreement tomorrow on joint production of B-20 microcomputers in Yunnan Province and of B-25 microcomputers in Hong Kong.

U.S. MICROBIOLOGICAL DELEGATION VISITS FUJIAN

OW180850 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 14 May 84

[Text] More than 60 experts and scientific and technical personnel from Fujian Province attended an academic exchange meeting in Fuzhou a few days ago with an applied microbiological delegation from the United States. The 24-member U.S. delegation, led by Dr (Jing Shunchang), a noted American microbiologist of Chinese origin, arrived in Fuzhou on 11 May at the invitation of Chinese scientific and technological circles.

The academic exchange between the American microbiologists and their Fujian counterparts was the province's microbiological circles' first comprehensive international academic activity. The participants discussed microbiological classification, plant pathology, biological engineering, genetic engineering, industrial fermentation and computer control and reached fairly unanimous views on these specialized subjects.

WANG BINGNAN ARRIVES IN MOSCOW FOR USSR VISIT

OW261052 Beijing XINHUA Domestic Service in Chinese 0805 GMT 26 May 84

[By reporter Wang Chongjie]

[Text] Moscow, 25 May (XINHUA) -- Kruglova, chairman of the USSR Union of Societies for Friendship and Cultural Relations With Foreign Countries; and Tikhvinskiy, first deputy chairman of the Soviet-Chinese Friendship Society, met with a delegation from the Chinese People's Association for Friendship With Foreign Countries and the Chinese-Soviet Friendship Association, headed by Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, at the House of Friendship in Moscow this afternoon. During the meeting Chairman Kruglova expressed his warm welcome [re qing huan ying 3583 1906 2970 6601] to President Wang Bingnan and the delegation he is leading. The guests and hosts exchanged views on how to further develop exchanges between the people's friendship organizations of the two countries. After the meeting Kruglova and Tikhvinskiy gave a banquet in honor of the Chinese delegation. Chinese Ambassador to the Soviet Union Yang Shouzheng attended both the meeting and the banquet. President Wang Bingnan and his party arrived in Moscow this morning. It has been learned that during its stay in the Soviet Union the delegation will tour Leningrad, Sochi, and other places.

FURTHER REPORTAGE ON KIM IL-SONG'S USSR VISIT

OW251858 Beijing XINHUA in English 1831 GMT 25 May 84

[Text] Moscow, May 25 (XINHUA) -- Visiting Korean state and party delegation headed by Korean President Kim Il-song and Soviet leaders Konstantin Chernenko, Nikolay Tikhonov, Andrey Gromyko, Dmitriy Ustinov and Mikhail Gorbachev today continued their talks, according to TASS. While holding talks with Soviet President Konstantin Chernenko, Kim Il-song invited the Soviet leader to visit Korea. Chernenko acknowledged the invitation. Korean Premier of the Administration Council Kang Song-san and Soviet Chairman of the Council of Ministers Nikolay Tikhonov discussed Soviet-Korean cooperation in economic areas, in science and technology, and their commercial relations. Views about bilateral relations and about international issues were exchanged in the talks between Kim Yong-nam, Korean foreign minister and Andrey Gromyko, Soviet foreign minister. Meanwhile, Korean Minister of the People's Armed Forces O Chin-u and Soviet Defence Minister Dimitriy Ustinov discussed matters of common concern. A mass rally in honor of the friendship between the Soviet Union and Korea was held yesterday in Moscow, attended by members of the Korean delegation. Victor Grishin, the first secretary of the Moscow City Committee of the Soviet Communist Party, spoke at the rally. The Soviet Union "firmly supports the just struggle launched by the Korean people for the complete withdrawal of American troops from South Korea and for the self-determination of their own affairs," he said, and "agrees to the idea put forward by Korea to transform the Korean peninsula into a peaceful zone free of nuclear weapons." Korean Premier Kang Song-san told the rally that Korea "actively supports peace suggestions and proposals put forward by the Soviet Communist Party and the Soviet Government.

Leaves Moscow

OW251935 Beijing XINHUA in English 1926 GMT 25 May 84

[Text] Moscow, May 25 (XINHUA) -- The Korean state and party delegation led by President Kim Il-song left here today by train. A sending-off ceremony was held attended by Soviet leaders Konstantin Chernenko, Nikolay Tikhonov, Mikhail Gorbachev, Andrey Gromyko and Dmitriy Ustinov. The Korean delegation arrived here on May 23 for an official and friendship visit.

'NO RESULTS' AT DPRK-SOUTH KOREAN SPORTS TALKS

OW251704 Beijing XINHUA in English 1650 GMT 25 May 84

[Text] Pyongyang, May 25 (XINHUA) -- No results whatsoever had been achieved when the Democratic People's Republic of Korea (DPRK) met South Korea at the third-round sports talks in Panmunjom this morning. According to a KCNA report, the South Korean representative at the meeting continued to raise questions irrelevant to the sports talks and at the same time, went so far as to vilify the DPRK's agenda and proposal for the formation of a single team. The two sides agreed that the date for the next meeting will be decided through an exchange of letters.

SPORTS DELEGATION LEAVES FOR DPRK 24 MAY

OW241311 Beijing XINHUA in English 1138 GMT 24 May 84

[Text] Beijing, May 24 (XINHUA) -- A five-member Chinese sports delegation led by Li Menghua, minister of the State Physical Culture and Sports Commission, left here this afternoon by train on a good-will visit to the Democratic People's Republic of Korea. Lu Jindong, vice minister of the commission, and Kim Chan-ku, charge d'affaires of the DPRK Embassy in Beijing, were among those at the railway station to see the delegation off.

DENG LIQUN MEETS WITH DPRK FILM DELEGATION

OW290904 Beijing XINHUA in English 0856 GMT 29 May 84

[Text] Beijing, May 29 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee and head of its Propaganda Department, met here today with a delegation of the Korean Cinematographers Union lead by its vice chairman, Cha Kye-yong. The delegation was invited by the Chinese Film Association. Since their arrival on May 15, the Korean film artists have visited Beijing, Xian, Shanghai and Suzhou.

WAN LI MEETS DPRK UNIVERSITY GROUP IN BEIJING

OW241125 Beijing XINHUA in English 1141 GMT 24 May 84

[Text] Beijing, May 24 (XINHUA) -- Chinese Vice Premier Wan Li this afternoon met and had a cordial conversation with a delegation from Kim Chaek University of Technology of the Democratic People's Republic of Korea led by its president Pak Yong-chol.

HAN TIANSHI-LED CPC WORKERS GROUP VISITS DPRK

Leaves Beijing

OW250813 Beijing XINHUA in English 0751 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- A delegation of Chinese Communist Party workers led by Han Tianshi, secretary of the Central Commission for Discipline Inspection of the CPC, left here for the Democratic People's Republic of Korea by air this morning.

## Attends Pyongyang Fete

OW251918 Beijing XINHUA in English 1836 GMT 25 May 84

[Text] Pyongyang, May 25 (XINHUA) -- The Central Committee of the Workers' Party of Korea (CCWPK) gave a dinner tonight in honor of the Chinese Communist Party workers' delegation. The Chinese delegation is led by Han Tianshi, secretary of the Central Commission for Discipline Inspection of the Communist Party of China.

In their toasts, Kang Hyon-su, first vice chairman of the Control Committee of the CCWPK, and Han Tianshi congratulated each other on the recent successful visit to Korea by General Secretary of the Chinese Communist Party Hu Yaobang.

The Chinese delegation arrived here today for a friendly visit to Korea.

TAXATION AGREEMENT WITH JAPAN TO TAKE EFFECT

OW281901 Beijing XINHUA in English 1836 GMT 28 May 84

[Text] Tokyo, May 28 (XINHUA) -- An agreement on the avoidance of double taxation and the prevention of tax evasion signed between China and Japan will take effect on June 26 this year. The date of the agreement's commencement was made public after the exchange of related documents between the two countries here today.

Chinese Ambassador to Japan Song Zhiguang and Japanese Foreign Minister Shintaro Abe exchanged the documents at a ceremony this afternoon. Both sides said that the agreement would play a positive role in promoting economic cooperation between China and Japan. The agreement was signed by the two governments in Beijing on September 6 last year.

ZHANG JINGFU MEETS JAPANESE TRADE MINISTER

OW241145 Beijing XINHUA in English 1114 GMT 24 May 84

[Text] Beijing, May 24 (XINHUA) -- Zhang Jingfu, Chinese state councillor and minister in charge of the State Economic Commission, this morning met with Kazuo Sugiyama, permanent vice minister of the international trade and industry of Japan, and his party. Sugiyama and his party attended the 5th senior officials talks between the Chinese State Economic Commission and the Japanese Ministry of International Trade and Industry which ended here today.

Ma Yi, vice minister of the Chinese State Economic Commission and his delegation held three rounds of talks with Sugiyama and his party. The two sides briefed each other on the economic development of their own countries. They also held discussions on Japanese assistance for the technical transformation of China's existing enterprises and on technical exchanges and cooperation between the two countries.

During today's meeting Zhang Jingfu said he hoped to see expansion of economic and trade cooperation between the two countries.

TIAN JIYUN MEETS WITH JAPANESE DELEGATION

OW251654 Beijing XINHUA in English 1451 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- Chinese Vice Premier Tian Jiyun met and had a cordial conversation here this afternoon with a delegation from Chiba Prefectural Assembly of Japan led by assembly's president Shigeo Iishima. Present was Sun Pinghua, vice president of the China-Japan Friendship Association.

YANG SHANGKUN HOSTS FETE FOR JAPANESE MAYOR

OW250813 Beijing XINHUA in English 0745 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- Yang Shangkun, member of the Political Bureau of the Chinese Communist Party Central Committee, met and feted Kazuma Shindo, mayor of Fukuoka, Japan, at the Diaoyutai State Guesthouse on May 23. During the meeting 80-year-old Shindo said that he was concerned with the on-going rescue operation for starving pandas in China and donated two million yen (Japanese dollars) for the work. Yang Shangkun accepted the donation on behalf of the Wildlife Conservation Association of China.

WANG ZHEN ADDRESSES PRC, JAPANESE FISHERMEN

OW271130 Beijing XINHUA in English 1117 GMT 27 May 84

[Text] Beijing, May 27 (XINHUA) -- More than 80 Japanese and 100 Chinese fishing enthusiasts spent the Sunday together angling in the Huairou Reservoir 75 kilometers east of Beijing at the invitation of the Chinese Fishing Association. "The exchange of visits between fishing amateurs of our two countries, adds to the promotion of the Sino-Japanese friendship," addressed Wang Zhen, member of the Political Bureau of the Central Committee of the Chinese Communist Party and honorary president of the Sino-Japanese Friendship Association at an opening ceremony. "Angling in spare time along the picturesque coasts, around rivers or lakes, breathing fresh air and bathing in warm sunshine, is really a joyful pastime for the broad masses," Wang added.

Among the other Chinese fishing amateurs were Han Xianchu and Huang Hua, both vice chairmen of the Standing Committee of the Chinese National People's Congress and advisers to the Chinese Fishing Association, and Zhong Shitong, president of the All-China Sports Federation. Among the Japanese fishers were Sadao Goto, president of the Japanese Sanko Company, Ltd. who is leading the Japanese fishing-amateur delegation here, and Kazuhito Konishi, proprietor and chief editor of weekly SUNDAY FISHING, one of the best-selling fishing magazines in Japan. Kazuhito, a well-known angling expert in Japan, hooked up a fresh-water fish on the Amazon last September. The fish, 1.9 meter long and more than 80 kilograms in weight, created a sensation in Japan. Japanese Embassy officials also attended the get-together.

After the opening ceremony, all the fishing enthusiasts scattered to choose their favorite fishing spots and began flinging their hooks far into the shimmering water, with the sun sailing out from behind the clouds.

The Japanese fishing-amateur delegation will leave tomorrow for Heilongjiang, the northernmost province of China for another angling expedition.

FOREIGN MINISTRY ON COUNTERATTACKS AGAINST SRV

OW260734 Beijing XINHUA in English 0728 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) -- A spokesman of the Chinese Foreign Ministry today made a statement to XINHUA correspondents on the Chinese frontier troops' defensive counter-attack against intruding Vietnamese troops along the Sino-Vietnamese border. Full text of the statement follows:

Since early April this year, the Chinese frontier troops in Yunnan and Guangxi, in their defensive counter-attack against the intruding Vietnamese troops in certain areas along the Sino-Vietnamese border have repulsed the repeated attacks of the Vietnamese troops, destroyed some Vietnamese fortifications and positions and wiped out the Vietnamese troops entrenched on China's territory, thus safeguarding the security of China's border areas. In face of the intensifying provocations and intrusions of the Vietnamese troops, the Chinese frontier troops were forced to hit back. Over a long period, the Vietnamese authorities have kept making provocations along the Sino-Vietnamese border. Since Spring this year, the Vietnamese troops have stepped up their provocations and intrusions. They fired at China's border areas, raided Chinese border villages and towns, killed peaceable Chinese inhabitants and disrupted the spring ploughing in China's border areas. What is even more intolerable, large numbers of Vietnamese troops intruded into Chinese territory and committed every evil. If China had not hit back, it would have been impossible for us to check the Vietnamese intrusion, protect the normal life and production of the people and safeguard peace and security of the border areas.

The Chinese Government has always treasured the traditional friendship between the Chinese and Vietnamese peoples and has made persistent efforts for the maintenance of peace and tranquility along the Sino-Vietnamese border. Provided that the Vietnamese authorities refrain from carrying out provocations and intrusions, tension along the Sino-Vietnamese border will be eased. China's consistent position is: "We will not attack unless we are attacked; if we are attacked, we will certainly counter-attack." Should the Vietnamese authorities choose to ignore our advice and cling obstinately to their course, we will have to continue to make the necessary response. We hope that the Vietnamese authorities will think it over carefully and act sensibly.

XINHUA COMMENTATOR REFUTES SRV CHARGES

OW261915 Beijing XINHUA in English 1837 GMT 26 May 84

["XINHUA Commentator: Bankruptcy of Vietnam's Countercharges" -- XINHUA headline]

[Text] Beijing, May 26 (XINHUA) -- In the past month or more, the Vietnamese authorities, while engaging in military actions in Kampuchea and along the Kampuchean-Thai border, have stepped up their military provocations along the Sino-Vietnamese border. As usual, their military provocations were accompanied by active propaganda telling the false story that China had "invaded Vietnam" and committed "very serious acts of war escalation" along the Sino-Vietnamese border, etc. The international community was not interested in this "routine business" of Hanoi, but Moscow was somewhat of an exception. In April alone, the Soviet press published more than 20 articles and stories on the Indochina problem, which supported Vietnam and attacked China. It goes without saying that the Vietnamese authorities had reasons for creating tension along the Sino-Vietnamese border. For instance, when they were condemned by the world for their dry-season offensives in Kampuchea and for their military incursions into Thailand, they needed to provoke incidents along the Sino-Vietnamese border to divert people's attention.

Again, Vietnam always needs support from its Soviet ally for any major military operations in the Kampuchean-Thai border areas, and the tensions along the Sino-Vietnamese border could put it in a better position to solicit more aid from the Soviet Union, at least, to rope in the Soviet Union a little tighter. Still, a Hanoi bogged down in a morass of domestic difficulties needed to create some tone of "foreign invasion" crises to mobilize more manpower and material resources to bolster its war in Kampuchea. A foreign correspondent had this to say: "It can be believed that they are whipping up a feeling of crisis to shape world public opinion and to control the domestic situation" and "their current provocations against China are meeting Vietnam's needs."

However, all the above-mentioned needs of the Vietnamese authorities could not be revealed to the world. They had to rack their brains a bit to invent some stories about "Chinese invasion" for propaganda so as to disguise the facts. They even put on a pitiable look, asking "How could a country with a population of 60 million have decided to unleash a military clash with a state of one billion people?" In addition, they managed to get some others to speak for them, who said "Vietnam would not be so foolish as to wage a two-front war by launching attacks along the Sino-Vietnamese border while starting offensives in the Kampuchean-Thai border areas. All these remarks were intended to mislead the world into believing that the Vietnamese authorities are "innocent victims." But as a matter of fact, these arguments did not appeal either. Not to mention the historical fact that quite a few smaller countries had attacked the bigger ones, the whole world judging from the reality believes that China, being a country deeply engrossed in the four modernizations, needs a peaceful international environment. World opinion also pointed out that China does not want to involve itself in a military adventure that might hinder the realization of its modernization plan. Even the Vietnamese authorities have said that China could not realize its four modernizations if it wanted to fight them.

There would have been tranquility along the Sino-Vietnamese border had it not been for the Vietnamese provocations. But the Vietnamese side has repeatedly created such incidents in the border areas to achieve its objectives mentioned above. True enough, Vietnam is not able to invade China on a large scale, now that it is swamped in the war in Kampuchea. However, in the eyes of the Vietnamese authorities, to create some tensions by carrying out military provocations and infiltrating activities in the border areas can be something profitable and harmless. After the Chinese frontier guards withdrew voluntarily from their counter-attacks in self-defense along the Sino-Vietnamese border in February, 1979, the Vietnamese authorities immediately moved large numbers of troops to the foremost frontier, and even occupied hills on the Chinese side and built fortifications at commanding points. Since then, the Vietnamese troops have taken the advantage of their favorable positions in height to threaten the security of the Chinese border residents by shooting and shelling.

In addition, situations on the two sides of the Sino-Vietnamese side, the Vietnamese authorities in the late 1970's cleared the border area of its residents and turned it into a depopulated zone controlled by the Army. Many border residents came to China as refugees. But the Chinese side is comparatively densely populated with residents living a normal life and undertaking production peacefully. The Vietnamese authorities even try to take this situation to its advantage, believing that any military provocations they make along the border will bring harm to the Chinese.

Take the Chinese Laoshan and Zheyinshan areas as an example. Vietnamese in their raids on these areas have killed and wounded many local Chinese residents, destroyed houses and disrupted farm production. The people of various nationalities suffering from the Vietnamese provocations have strongly urged the Chinese frontier guards to hit back the Vietnamese intruders and defend their security and property.

The calculation of the Vietnamese authorities mentioned above is obviously wrong. China is not willing to fight, nor does it wish to have a tense situation on the Sino-Vietnamese border. But it will not allow anyone to carry out harassment and sabotages at will. Moreover, the brave Chinese frontier forces can smash and wipe out Vietnamese aggressor troops to the last man even in most difficult terrain. The Chinese counterattack is just and well done. The Vietnamese authorities' lies, together with their armed provocations, will go bankrupt in the end.

#### LIFE RETURNS 'TO NORMAL' IN YUNNAN BORDER AREA

OW261328 Beijing XINHUA in English 1320 GMT 26 May 84

[Text] Yunnan border area, May 26 (XINHUA correspondents Wang Jianyuan and Wu Denggui) -- Life has returned to normal at Laoshan and Zheyinshan in Malipo County bordering on Vietnam after invading Vietnamese forces were driven out of China on April 28 and 30. People are now clearing mines and barbed wire from desolated rubber plantations, gardens of tea oil trees and rice paddies, and rush-planting rice.

Zheyinshan in Malipo County was occupied by Vietnamese forces in March, 1979, soon after Chinese troops withdrew from their advance positions in the area. A company of Vietnamese forces took the area after the killing of two Chinese border control personnel and two militiamen. Since then dozens of villages there were threatened by Vietnamese shelling. A tea oil plantation was also fenced off with barbed wire and mine. The 70-hectare Tianbao State Rubber Farm at Chuantou, another target of Vietnamese shelling, was left untapped for more than five years causing losses of nearly one million yuan, according to farm officials. More than 60 hectares of tea and coffee plantations have laid waste due to Vietnamese harassment and sabotage. Authorities of the Wenshan Zhuang and Miao Autonomous Prefecture said Vietnamese artillery fired more than 13,000 rounds on 227 local villages since the beginning of this year. More than 70 primary and middle schools were forced to close and more than 400 hectares of farmland was left uncultivated.

Maps and military documents captured by Chinese troops showed that the Vietnamese forces had made several dozen densely populated villages including Luoshuidong, Chuantou and Yangwan their major shelling targets. Some of the documents outlined operational plans and specific times, routes and signals for their execution.

#### KAMPUCHEA'S SIHANOUK MEETS WITH HU YAOBANG

OW271805 Beijing XINHUA in English 1546 GMT 27 May 84

[Text] Beijing, May 27 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, met with Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk at Zhongnanhai here this evening.

In a cordial and friendly atmosphere, Sihanouk extended profound respect and thanks to General Secretary Hu Yaobang, and congratulated him on his successful visit to the Democratic People's Republic of Korea on behalf of the Kampuchean people and the Coalition Government of Democratic Kampuchea and in his own name.

Hu Yaobang replied: "As the late Chairman Mao said, the support between us are reciprocal. I think we should thank each other. We support your struggle and in fact you are supporting us too. So we should also thank you."

Sihanouk said: "New victories have been won one after another by Democratic Kampuchea in its struggle against Vietnam whose situation has become more and more difficult. The Kampuchean people will persevere in their struggle at all costs until their country is completely liberated." "The three sides of the Coalition Government are cooperating well politically and also in diplomatic and military affairs," he added.

After the meeting Hu gave a banquet for Samdech and Madame Sihanouk. Present on the occasion were Hu Qili, member of the Secretariat of the CPC Central Committee, Zhu Xuefan, vice chairman of the Standing Committee of the National People's Congress, Wu Xueqian, state councillor and minister of foreign affairs, Han Nianlong, adviser to the Ministry of Foreign Affairs, and his wife Wang Zhen, Thuch Rin, a minister of the Coalition Government of Democratic Kampuchea, and Chan Youran, ambassador of Democratic Kampuchea to China.

#### THAI COMMANDER ATHIT DISCUSSES PRC VISIT

OW261111 Beijing XINHUA in English 1034 GMT 26 May 84

[Text] Bangkok, May 26 (XINHUA) -- The supreme commander of the Thai Armed Forces, General Athit Kamlang-ek, has said his recent week-long visit to China was satisfactory and rewarding. He said the Chinese host had unreservedly arranged for him and his entourage to tour a number of military installations, which he said was a demonstration of China's trust in Thailand.

General Athit, who is also the Army commander-in-chief, visited China from May 15 to 22. He made these comments here at a tea party yesterday afternoon. He told his audience he was deeply impressed by what he saw in China. He said his itinerary in China was mainly to visit military establishments and watch military exercises. There was a mutual understanding between the armed forces of the two countries and there was no problem in their relations, he observed.

The general also praised China's open policy to attract foreign investment and its social security.

#### REPORT ON HONG KONG REACTION TO PLA PRESENCE

HK270137 Beijing ZHONGGUO XINWEN SHE in Chinese 1340 GMT 26 May 84

[ "Hong Kong People Say It Is Natural That China Should Station Troops in Hong Kong After Recovering Sovereignty" — ZHONGGUO XINWEN SHE headline ]

[Text] Hong Kong, 26 May (ZHONGGUO XINWEN SHE) -- Yesterday many well-known figures in Hong Kong gave their views on the remarks of Deng Xiaoping, chairman of the CPC Central Committee Advisory Committee, on the right of the Chinese Government to station troops in Hong Kong after recovering sovereignty.

Woo Hon-fai, a well-known figure in financial circles, said that China has full right to station troops in Hong Kong after recovering sovereignty, and it is essential that this should happen.

He said that the stationing of Chinese troops in Hong Kong is for the purpose of defending national territory. In fact there is no difference between the Chinese Army being stationed in Shenzhen and being stationed in Hong Kong, so why should there be such panic on hearing that China will station troops in Hong Kong after 1997. The fall on the stock market yesterday was due to certain people speaking and acting on hearsay and indulging in panic selling; there is no need at all to worry about imagined troubles.

Professor Harris of the Political Studies Department of Hong Kong University said that it is quite natural that China should station troops in Hong Kong after 1997, as Deng Xiaoping said; there is no need for the people of Hong Kong to panic, and they should stay calm.

Ho Kam-fai, an unofficial member of the Legislative Council, said that he was not at all surprised by what Deng Xiaoping had said; on the contrary he felt that this had positive significance. He said that when the PLA appears in Hong Kong at that time, far from causing disquiet, it will in fact be a "tranquillizer," which will be advantageous both for the people of Hong Kong and also for foreign investors.

Lee Chiu-lam, a member of the Executive Committee of the Reform Club of Hong Kong, said that for China to station troops in Hong Kong after recovering sovereignty symbolizes sovereignty and is quite natural; as with the British Army stationed in Hong Kong now, there is nothing surprising about it.

#### CUSTOMS DUTIES BETWEEN HONG KONG, SHENZHEN TO END

OW280735 Tokyo KYODO in English 0714 GMT 28 May 84

[Text] Beijing, May 28 KYODO -- Chinese authorities have decided to abolish custom duties on trade between Hong Kong and the neighboring special economic zone of Shenzhen, a Chinese official said Monday. China will instead set up customs checkpoints at the Shenzhen border for goods entering China from the British Colony or the special economic zone, Qian Jiachu, a Standing Committee member of the Sixth Chinese People's Political Consultative Conference (CPPCC) National Committee, told a news conference in Beijing.

Qian, also a deputy director of the Central Socialist University, said the new customs law is expected to take effect either within this year or by the end of next year at the latest. He said the Chinese authorities will set up six customs checkpoints between Shenzhen and Guangdong Province, now separated by barbed wire. In reply to a question, Qian denied Hong Kong and Shenzhen will be incorporated into one single economic zone following the return of the British Colony to China in 1997. Hong Kong will continue to retain its capitalist system while Shenzhen will remain a socialist entity under communist rule, he said.

#### HONG KONG SHIPPING COMPANY CHAIRMAN VISITS PRC

Meets Song Ping

OW271853 Beijing XINHUA in English 1642 GMT 27 May 84

[Text] Beijing, May 27 (XINHUA) -- State Councillor Song Ping met Mr Yue-kong Pao, chairman of the Hong Kong Worldwide Shipping Group, in the Great Hall of the People this evening. Song Ping who is also minister in charge of the State Planning Commission expressed appreciation for Mr Pao's contribution to China's educational development.

Mr Pao donated one million U.S. dollars, a legacy from his late father Pao Sui-loong, which was used to set up in 1982 the Pao Sui-loong and Yue-kong Pao scholarship for Chinese students to study abroad. The scholarship foundation committee is headed by Chai Shufan, chairman of the board of directors of the China State Shipbuilding Corporation.

At today's committee meeting held here, Yue-kong Pao said he would donate another one million U.S. dollars in 1985 to contribute to China's educational development.

Using interests from the scholarship foundation, the Ministry of Education has sent this year 12 postgraduates and eight other students for further study in Britain, Japan and the Federal Republic of Germany. Another student will soon go to study in the Netherlands. According to the ministry, it will send more than 20 students for further study abroad in the coming three years on scholarships.

#### Meets With Deng Xiaoping

OW280842 Beijing XINHUA in English 0831 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) — Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, met Yue-kong Pao, chairman of the Worldwide Shipping Group of Hong Kong, in the Great Hall of the People today. Deng Xiaoping expressed his appreciation for the cooperation between the Worldwide Shipping Group and its Chinese counterparts. "This good cooperation should continue and develop," he said. Deng Xiaoping and Yue-kong Pao had extensive conversation on the present-day world economic situation and China's decision to adopt more flexible economic policies in 14 coastal cities and Hainan Island, as well as other questions.

Yue-kong Pao also briefed Deng Xiaoping on his financial supports for the training of Chinese students abroad.

Chai Shufan, chairman of the board of directors of the China State Shipbuilding Corporation, and Jia Shi, vice minister of foreign economic relations and trade, were present.

#### Talks With Chen Muhua

OW280846 Beijing XINHUA in English 0833 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) — Chen Muhua, state councillor and minister of foreign economic relations and trade, had a meeting with Y.K. Pao, chairman of the Worldwide Shipping Group of Hong Kong in the Beijing Hotel today. Chen told Y.K. Pao that great interest has been aroused in foreign countries by China's opening of 14 coastal cities to the outside world. The Chinese Government is working out development programs for these areas. She said the first problem for these cities to tackle is how to improve communications and telecommunications. China will build international airports, highways and more tourist facilities, and expand harbors so as to create favorable conditions for opening to the outside world. Foreign entrepreneurs are welcome to invest in China, she added.

FURTHER ON ZHAO ZIYANG'S UPCOMING EUROPEAN VISIT

## LIAOWANG on Visit

OW270142 Beijing XINHUA in English 0125 GMT 27 May 84

[Text] Beijing, May 27 (XINHUA) — Premier Zhao Ziyang's forthcoming visit to Western Europe is "a major event" in Sino-Western European relations and "is a diplomatic event of far-reaching significance" to consolidate these ties, says China's weekly news magazine OUTLOOK in a cover story. The Chinese premier will start his European tour on Wednesday, which will take him to France, Belgium, the European Community, Sweden, Denmark, Norway and Italy. It will be the first official visit to Western Europe by a Chinese head of government since the convening of the 12th National Congress of the Communist Party of China in 1982.

The article in the May 28 issue of OUTLOOK says, "Premier Zhao Ziyang's coming visit is aimed at strengthening friendly cooperation, enlarging economic exchanges between China and West European countries and safeguarding world peace." It notes that although West European countries are far from China geographically and have different social systems, there are no direct conflicts of interest between them. "They share identical or similar views with China on many major international issues," it adds, "they can consult and coordinate with each other on many international occasions." In the economic field, the article says, they have a desire to cooperate further in some areas for the benefit of both sides. Therefore, there exists a broad prospect and a sound foundation for more friendly cooperation between them, it declares.

The OUTLOOK article reveals that Zhao will hold talks with the leaders of these Western European countries on international and bilateral issues as well as on other matters of common concern. During the visit, he will also address these countries on China's independent peaceful foreign policy and the policy of opening to the outside world. The article points out that West European countries and China are facing the common task of opposing hegemonism, maintaining national security and safeguarding world peace. Further, China supports Western Europe for its active role in international affairs. "A strong and united Western Europe is not only in the interests of its people but also an important factor in maintaining world peace and security," it adds. OUTLOOK says it believes that the Chinese premier's visit will strengthen China's political and economic ties with West European countries and will put Sino-West European relations on a firmer foundation of safeguarding world peace and consolidating economic cooperation with Western Europe.

## XINHUA Views Trip

OW290201 Beijing XINHUA in English 0134 GMT 29 May 84

[ "Premier Zhao's Visit: Fresh Impetus to China-EC Relations" — XINHUA headline ]

[Text] Brussels, May 29 (XINHUA correspondent Yang Yuanhua) — Chinese Premier Zhao Ziyang is coming on an official visit to six European countries and the European Community (EC) from May 30 through June 12 with an aim to "seek friendship, cooperation and peace." Zhao's goodwill trip indicates that China, with traditional friendship and long-standing trade and cultural exchanges with West European countries, attaches great importance to furthering friendly and cooperative relations with them.

The EC, which groups 10 West European nations, has steadily made headway toward the integration of West Europe, and played an ever-increasing role in world affairs.

Having established diplomatic ties with 127 countries, the community has grown into one of the major forces in the struggle against hegemony and for maintaining world peace. The superpowers, each possessing formidable military strength, are scrambling for world dominance, posing a grave threat to the independence and security of all nations and to world peace. So one of the urgent tasks that confront China and West Europe alike is to preserve peace and achieve stable and peaceful international circumstances to facilitate the development of their own countries. China always supports West Europe in its efforts to build up a united and powerful Europe, and West Europe sees a strong and prosperous China as a major lever in maintaining world peace and stability. Both sides share identical or similar views on many issues and have no fundamental conflict of interests. All this provides a solid political basis for the advancement of cooperation between the two.

China established diplomatic relations with European Economic Community (EEC), the largest component of the EC, in 1975. Last year it formed official links with the European Coal and Steel Community and the European Atomic Energy Community, thus accomplishing an overall diplomatic link with the EC. In recent years, leaders from Europe and China have exchanged visits frequently, comparing notes on the international situation and wide-ranging issues of mutual interest. Last year, both sides agreed to carry out regular political consultations.

Economic cooperation has also moved ahead remarkably over the past years. In 1978, the two sides reached a five-year trade agreement. Last year, the EC became China's second largest trading partner with their total trade volume hitting 5.7 billion U.S. dollars, more than 2.3 times that of 1975. Now both sides hope to extend cooperation in trade and in technological exchanges. At present, the EC trade volume with China still accounts for only a small part of its total. But, just as EC Chairman Gaston Thorn noted, there still exists great potential for further developing China-EC economic relations. Chinese Premier Zhao voiced similar optimism recently, saying that economic cooperation between the two has "broad prospects and great potential." Last year, Premier Zhao called for a combination of Western Europe's advanced technology and funds and China's rich resources and vast markets to meet a reciprocal need. Now, on the eve of his European tour, he reiterated that China and West European countries have their own strong points and it is entirely possible for them to learn from each other and make up for each other's deficiencies.

Premier Zhao, in a speech at the National Assembly now in session, reaffirmed China's policy of opening to the outside world. He has also encouraged European enterprises to make ventures independently or jointly in China, and pledged to protect their investment there.

Now the outlook becomes far brighter for China-EC relationship as Premier Zhao embarks on his first West European tour, which will assuredly enhance the friendship and cooperation between China and West Europe and contribute to world peace and stability.

#### French Ties Reviewed

OW280050 Beijing XINHUA in English 0033 GMT 28 May 84

["Broad Prospects for Sino-French Relations" -- XINHUA English]

[Text] Paris, May 28 (XINHUA) -- Chinese Premier Zhao Ziyang is travelling to Paris for a visit which, it is hoped, will bring still closer the already deepening relations between China and France.

Since the two countries established diplomatic relations in 1964, there has been a steady growth in friendship and cooperation between the two countries, refuelled in recent years in spite of a changing international climate. The two countries have always viewed their relations in the light of their strategic significance, with both countries pursuing an independent foreign policy, setting great store on their relations with the Third World, and championing the cause of world peace. "France and China share a common faith on major issues," Secretary General of the French External Relations Ministry Francis Gutmann told Chinese reporters recently.

French President Francois Mitterrand, while receiving Chinese Foreign Minister Wu Xueqian in Paris last month, said that "to maintain global equilibrium, it is of vital importance for France and China to keep up better and more frequent contacts."

[Beijing XINHUA Domestic Service in Chinese at 0735 GMT on 28 May in a report on Sino-French relations at this point inserts: "Premier Zhao Ziyang is setting out soon to visit Western Europe, and the first leg of his visit will be France. 'He will hold thoroughgoing (shen ru di 3234 0354 4104) talks with President Mitterrand on major international issues and bilateral relations. He will also meet with Premier Mauroy and other French leaders.'"]

There has been broad agreement between China and France on major issues, but there are divergences on certain regional issues such as Kampuchea, which, in the words of French Foreign Minister Claude Cheysson, are understandable in view of their different historical and geographical backgrounds.

The past few years have seen increased economic, scientific and technological exchanges in ever-widening areas between the two countries. There has also been a gradual harmonizing of their economic relations with their political relations, as both countries are aware of the need to forge a long-term, stable cooperative relationship which is in the interests of both sides. The turnover of trade between the two countries in the past year reached 800 million U.S. dollars, up 28 percent from the previous year. Projects for scientific and technological cooperation between the two countries jumped from 59 in 1981-82 to 133 in 1983-84. In addition to their cooperation in chemicals, power, oil extraction, aircraft-manufacturing and coal mining, the two countries are now exploring the possibility of cooperating in nuclear energy generation and electronic communications. France has set up a panel of experts to study ways of participating in reforming China's small and medium-sized enterprises.

Cultural exchanges between China and France have also increased since the creation of a mixed cultural commission in 1980. While in Shanghai during his China visit in May last year, French President Mitterrand personally conferred the title of "Commander of the Legion of Honor" on well-known Chinese novelist Ba Jin, chairman of the Chinese Writers' Association. Alongside the official contacts, there have also been frequent mutual visits by civilian cultural and artistic groups. The two countries are expected to hold film festivals in each other's country this year and next. So far, nearly 100 movie pictures have been recommended for the events by both sides. In the field of education, 24 Chinese institutes of higher learning have signed more than 30 agreements with 37 of their French counterparts, and the number of students the two countries are to exchange this year reaches a record high.

Looking ahead, there exist broad prospects not only for economic and scientific exchanges between the two countries but also for cultural exchanges. This interflow of Eastern and European civilizations is of great significance.

While praising Franco-Chinese friendship, the speaker of the French National Assembly, Louis Mermaz, used to quote a 19th-century French traveller as saying: "France in essence is the China of Europe, and China in a sense is the France of the Far East."

The Beijing XINHUA Chinese version at this point adds: "On the occasion of the 20th anniversary of the establishment of diplomatic relations between China and France, President Mitterrand said in his letter to President Li Xiannian that 'We should make concerted efforts to build our future.' In his telegram to President Mitterrand, President Li Xiannian indicated that as long as both sides make concerted efforts, the flower of Sino-French friendship will blossom more beautifully."

#### FRG'S WILLY BRANDT ARRIVES IN BEIJING FOR VISIT

0W281443 Beijing XINHUA in English 1437 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) -- Willy Brandt, chairman of the German Social Democratic Party, and a delegation he is leading arrived here by air this evening at the invitation of the Chinese Communist Party. General Secretary Hu Yaobang greeted Brandt and his delegation at the Diaoyutai State Guesthouse. Hu extended warm welcome to Brandt on his visit to China, adding that he hoped Brandt and the other members of his delegation would feel at home during their stay in China.

The guests were greeted at the airport by Hu Qili, member of the Secretariat of the Central Committee of the Communist Party of China, Qian Liren, head of the International Liaison Department of the CPC Central Committee, and Guenther Schoedel, ambassador of the Federal Republic of Germany to China.

Sources said that Brandt and his party would exchange views with top leaders of the Chinese Communist Party on current international situation, bilateral relations and other questions of common concern. After visiting Beijing they will go for a tour of Shanghai and Guangzhou.

#### REPORTAGE ON DUTCH TRADE MINISTER'S PRC VISIT

##### Talks With Jia Shi

0W241315 Beijing XINHUA in English 1139 GMT 24 May 84

[Text] Beijing, May 24 (XINHUA) -- Jia Shi, Chinese vice minister of foreign economic relations and trade, held talks here this afternoon with Frederik Bolkestein, minister for foreign trade of the Netherlands. In a friendly atmosphere, the two sides discussed about the promotion of economic and trade relations and economic and technical cooperation between the two countries. Minister Bolkestein and his party arrived here yesterday on a friendship visit to China at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade. He is the first Dutch Government minister to visit China after the two countries restored the diplomatic relations to ambassadorial level.

##### Meets Zhao Ziyang

0W251610 Beijing XINHUA in English 1550 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- Chinese Premier Zhao Ziyang today listed three reasons why China wishes to expand cooperation with the European Economic Community. Zhao's reasons, stated at a meeting with the visiting Dutch minister for foreign trade Frederik Bolkestein, are as follows: First, cooperation is needed by both sides to make up each other's deficiencies the EEC, said Zhao, is made up of developed countries each with advanced technology and varied advantages in different areas, while China is a developing country with a great potential market and rich natural resources.

Developing relations and cooperation on a basis of equality and mutual benefit will help both China's modernization program and economic prosperity in Europe.

Second, China attaches great importance to its policy of developing relations with the EEC. Zhao said that China's greater cooperation with the U.S. and Japan in the past did not mean sole interest in them; different factors were involved. He looked forward to increased cooperation with the EEC in future.

Third, China's economy was good and would continue to grow to the end of the century. Zhao explained that China's Seventh Five-Year Plan, now in the making, would put development on a much larger scale. At the same time, it would continue an open-door policy to the outside world. "All this shows that much can be done in economic and technical co-operation between China and the EEC," the Chinese premier said.

Zhao welcomed his first Dutch visitors since China and the Netherlands normalized diplomatic relations in February and hoped that Sino-Dutch relations would continue to develop. Both countries, he said, shared a desire for cooperation that should be secured by technology. He welcomed Dutch investment in China. Zhao pointed out that China would provide favorable market conditions for cooperation in advanced technology. He also hoped Dutch investors would show their competitiveness. Minister Bolkestein said that the Dutch Government also set much store by cooperation with China. He hoped for expansion of the scope of economic and technical cooperation.

#### Attends Fete

OW290858 Beijing XINHUA in English 1634 GMT 29 May 84

[Text] Beijing, May 28 (XINHUA) -- Chinese State Councillor Chen Muhua today described the China visit of the Dutch minister for foreign trade as an "important event" this year in Sino-Dutch relations. Chen Muhua, also minister of foreign economic relations and trade, made this remark at a banquet she gave for the Dutch Minister Frederik Bolkestein and his party here this evening. Chen said that since the diplomatic relations between China and the Netherlands were restored to ambassadorial level last February, new developments had taken place in economic and trade relations between the two countries with an encouraging tendency. She believed that economic and commercial ties would improve with the continuing growth of the bilateral relationship as a whole.

Bolkestein said that both the Dutch and Chinese people would do their utmost to intensify and deepen these relations. The Dutch Government had given him a specific brief to coordinate and intensify economic relations between the two countries. The Dutch minister said as Chinese Premier Zhao Ziyang will visit Western Europe next week his government would contribute to promoting the relations between China and Europe.

Present at the banquet were Jia Shi, vice minister of foreign economic relations and trade, and Dutch high ranking officials accompanying Mr Bolkestein to China. The new Dutch Ambassador to China, A.G.O. Smitsendonk, was also present.

FURTHER ON 'TURBULENCE' OF GULF SITUATION

XINHUA Roundup

OW290905 Beijing XINHUA in English 0812 GMT 29 May 84

["Continued Turbulence in the Gulf," Roundup by XINHUA Correspondent Xu Boyuan" --  
XINHUA headline]

[Text] Beijing, May 28 (XINHUA) -- The Gulf in recent days has been beset with new waves of tensions, with Iraq's attacks on 10 Iranian vessels within two days and Iran's raid on a Liberian tanker off Saudi Arabia. Iran is reported to be massing its troops along the border areas for a major ground offensive against Iraq following its attacks on and the seizure of Iraq's Majnum Islands earlier this year.

Iraq has pledged to continue its Air Force and naval blockade of Iran's Khark Island oil terminal. With Iran's repeated major attacks on Iraq in the southern battle ground, in February, Iraq sped up its air attacks on Khark Island, Iran's biggest oil exporting port. Khark Island is vital to Iran since 90 percent of its foreign currency is from the oil exported from there. Iraq aims at forcing Iran into peace talks by cutting off its oil income, its economic lifeline. It also wants to make Kuwait, Saudi Arabia and some other countries rally with it against Iran. Iraqi President Saddam Husayn has proposed indirectly that Iraqi planes be deployed in Arab countries on the Gulf's west shore, serving as a greater deterrent to Iran. The blockade of Khark Island is thus Iraq's much-considered strategic action, which it will not give up easily.

Iran, on the other hand, is far from accepting peace talks. Declaring that safe Gulf shipping to all or to none, it said, "Once Iran's oil export becomes totally impossible, we will blockade the Strait of Hormuz."

The blockade of the Gulf oil shipping route, the "life-line" of the West, will trigger the superpowers' military involvement. The United States, which has vowed many times to "safeguard the West's interest in the Gulf," has deployed big fleets inside and outside the Gulf. And, stepped up other military deployment. The Soviet Union, on the other hand, has told the United States that the Gulf is a region concerning the interests of various countries and accused the United States of posing itself as the sole gatekeeper of this oil passage. The Gulf countries have now come to see clearly that military intervention by the superpowers in the Gulf will inflict greater disaster on the countries and the peoples along the Gulf. Saudi Arabia has so far refrained from opening its airport to the United States. Kuwaiti Foreign Minister Sheikh Sabah al-Ahmad al-Jabir said, "I hope that we will not go so far as to find the superpowers in our territories.

The Gulf states' attitude reflects the common desire of the people of the Gulf that the Gulf question must be solved by the Gulf states themselves with the exclusion of superpowers' interference.

## Radio Beijing Report

NC290849 Beijing in Persian to Iran 1800 GMT 28 May 84

[Reportage by unidentified Radio Beijing correspondent in Washington: "Fire in the Gulf and the Superpowers"]

[Text] The crisis over the Gulf started when Iraqi aircraft attacked an oil tanker in Iranian waters on 25 April. Iran took retaliatory steps on (?13) May. Public opinion here believes that the new attacks show Iraq's determination to destroy Iranian oil exports and Iran's determination to avenge itself once its oil exports are disturbed.

As the crisis in the Gulf intensifies each day, the threat of superpower involvement increases. On 21 May U.S. President Reagan sent a letter to Saudi King Fahd, stressing U.S. support for Saudi Arabia and his commitment to ensure the safety of navigation in the Gulf. He also stated that the United States will not refrain from using military forces if the Arab countries so desire, but that Saudi Arabia and other Arab countries should place their airports and other installations at U.S. disposal for this purpose. Speaking in a television interview on 22 May, Reagan stated that the United States is now discussing with its allies the use of its military forces in the Gulf. He announced that Arab countries have not made such a request from the United States so far, therefore, the possibility of direct U.S. military involvement is very small.

Following this, a U.S. Government official announced that Reagan will once again submit to Congress the program for the sale of (?1,200) Stinger surface-to-air missiles to Saudi Arabia, (?200) of which will be placed at Saudi Arabia's disposal immediately on the basis of the law on the President's special rights. Moreover, a U.S. aircraft carrier is now stationed in the Arabian Sea while (?five) other U.S. military ships are on alert in the south of the Gulf.

The governments of Saudi Arabia and other Arab countries want to accept U.S. (?arms) assistance. However, they do not want direct U.S. military intervention. As stressed by public opinion here, these countries do not intend (?to allow mules into the grazing land of camels). They have stated that they can solve their problems themselves. They are also concerned that an involvement by Western powers will lead to the involvement of the other superpower.

The actions by the other superpower is disturbing in the [word indistinct] of the Iran-Iraq war. Reports state that the Soviet Union has, through confidential talks with representatives of Arab countries at the United Nations, stated its support for a (?strong) stance against Iran.

The serious situation in the Gulf and the involvement of and rivalry between the superpowers cannot but draw the attention of the people.

FURTHER COVERAGE OF SECOND SESSION OF SIXTH NPC

## Minorities Land Autonomy Law

OW251231 Beijing XINHUA in English 1140 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- China's draft law on regional autonomy for minority nationalities highlights the Communist Party and government's principle of equality, unity and common prosperity for all nationalities in the country. Luo Shangcai of Bouyei nationality, vice-governor of Guizhou Province, made this remark today at a panel session on the draft law on regional autonomy. He described the law as benefiting the prosperity of all nationalities and the great national unity in China and pledged his full support for it.

Noting that China is a unified, multi-national country, Luo said that relations among all nationalities are a major issue concerning the stability of China's political situation, the consolidation of border defense and the smooth progress of the country's modernization program.

Although the Chinese Government has since 1949 promulgated a number of regulations and decrees concerning the nationalities in the country, he said, some problems have occurred in nationalities work for lack of a specific law in this regard or failure to follow existing regulations. With the adoption of this draft law on regional autonomy, it will be easier to overcome these problems, the vice-governor added.

Zhong Zhenchuan (of Bai nationality), head of the Dali Bai Nationality Autonomous Prefecture in Yunnan Province, suggested the formulation of concrete measures and regulations to ensure the law's implementation. He also proposed that stipulations be worked out to cope with violations of the law in an effort to ensure its legal force. On the other hand, Zhong said, people in various minority areas should, in the spirit of self-reliance, carry out reforms, and work energetically to expand the local economy, culture and education so as to overcome step by step the de facto inequality left over from past history.

Guo Lizhen, a deputy from Yunnan Province's Ninglan County, is of Primi nationality which has a population of 20,000. Although her mountain village is now much better off than before, she said, culture and education are still undeveloped, with only 25 percent of the school-aged children enrolled, she hoped that the government will give more aid to minority education.

Cho Yong-ho, from the Yanbian Korean Autonomous Prefecture, noted that the draft law on regional autonomy will promote economic and cultural development in the minority areas. Industrial production has increased 18 times and agricultural output trebled since the prefecture was established in 1952 and the education has developed more quickly, Cho said. All the achievements, he added, are due to the implementation of regional autonomy and the assistance given by the government. Cho said he was satisfied with chapter six of the draft law showing the specific considerations given by the government to minority people. He was sure that the measures will stimulate the development of production in minority areas.

Xabchung Garbo (Tibetan), vice-chairman of the Standing Committee of the Qinghai Provincial People's Congress and vice-president of the China Buddhist Association, said the law is important for the economic development of Qinghai where minority people make up 39.4 percent of Qinghai's population and autonomous areas account for 98 percent of its area.

He said he is especially pleased with the stipulation on the freedom of religious belief. Many lamaseries have been reopened over the past years and the lamas are now back, Xabchung said. The faithful implementation of the policy on the freedom of religious belief shows that the government means what it says, the living Buddha said. This will help the carrying out of other state policies.

Minority deputies from Sichuan Province welcomed the law as a long-awaited basic law. They agreed that it embodies the spirit of national equality and unity and common prosperity and will help protect the interests of minority people and safeguard the unification of China.

#### Minorities Accept Autonomy Plan

OW251237 Beijing XINHUA in English 1207 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- After three days of panel discussions, National People's Congress deputies of Zhuang nationality, China's largest minority group, decided that they would vote for the draft law on regional autonomy for minority nationalities. The Zhuangs with a population of 13 million mainly inhabit in southwest China's Guangxi Zhuang Autonomous Region. Li Huiqiong said that many of the suggestions she made earlier this year were now included in the draft law, one of which was that the Hans in autonomous areas should study and use minority languages and minority people should learn the Han language. Li, a lecturer at the Youjiang Medical School for minority nationalities, explained that this suggestion was made on behalf of the Zhuang and other minority nationalities in that area.

The drafting of the regional autonomy law began in 1980 on a nation-wide scale. Opinions were gathered from over 100 autonomous areas and a number of municipalities, provinces and government departments through investigations, interviews, discussions and correspondence. Zhao Mingjian, 56, vice-chairman of the Standing Committee of the Guangxi Zhuang Autonomous Region People's Congress, said, "the state respects the interests of the minority nationalities and guarantees that all nationalities in the country will embark on the road of common prosperity." Instancing the achievements of the region since its establishment in 1958 to back up her view, she said that the gross industrial and agricultural output of Guangxi in 1983 came to 18 billion yuan, six times that of 1958. The people of Guangxi would make bigger strides in making most of its water resources and expansive territory to advance its economic development, she said. The power plant on the Hongshui River now under construction would be able to generate 60 billion kWh, nine times the total in Guangxi last year.

Associate Professor Zhou Feixiong from the Guangxi Institute for Nationalities, noted that the training of minority intellectuals and strengthening of intellectual development in minority areas were mentioned in a dozen places in the draft law. "This will have a great impact on the exercise of regional autonomy for minority nationalities and the elimination of the backwardness in their cultural and education left over from past history," Professor Zhou said.

## Wang Renzhong on Finance Budget

OW281031 Beijing XINHUA Domestic Service in Chinese 1605 GMT 25 May 84

[Text] Beijing, 25 May (XINHUA) -- Delivering the NPC Financial and Economic Committee's report on examining the draft of the 1983 state final accounts and the draft of the 1984 state budget at the second meeting of the Presidium of the Second Session of the Sixth NPC, Wang Renzhong, vice chairman of the NPC Standing Committee and chairman of the NPC Financial and Economic Committee, said that his committee approved the analysis made by Wang Bingqian, state councillor and minister of finance, on the 1983 state final accounts and the rising deficits, and endorsed the efforts made by governments at all levels in meeting the 1983 state budget. He said that the increase in the 1984 revenue is basically in keeping with the anticipated growth of industrial and agricultural production.

Wang Renzhong said: The Financial and Economic Committee maintains that, thanks to the adherence to the principle of readjustment, restructuring, consolidation and improvement in 1983, the economy has developed fairly speedily, state revenue increased fairly significantly, and prospects for the state's financial situation continue to be promising. These facts show that the policy decisions of the party Central Committee and the State Council, such as for promoting and improving the system of contracted responsibilities with remuneration linked to output in the rural areas, pooling financial resources to meet the needs of key construction projects, and carrying out the first-stage reform of replacing profit delivery with tax payments, are correct and apparently effective, and that even more significant successes will be accomplished in the future toward a fundamental improvement in the state's financial and economic situation. Although the 1983 state budget was implemented satisfactorily, many problems remain. First of all, despite better economic performance, the anticipated target was not achieved. Second, deficits increased, there was an oversupply of currency, and prices of certain commodities, particularly those of vegetables and other nonstaple foods, rose quite considerably. Particularly noteworthy were our economic relations, which were not managed properly, and the pricing system, which was irrational. Moreover, these problems cannot be resolved within a short time because the state is still heavily burdened with subsidies and other fiscal problems. All these problems must be resolved gradually by restructuring the economic system and adopting other necessary measures of reform on the basis of developing production and improving economic performance.

Wang Renzhong said: The financial expenditures for 1984 have been planned in such a way that they will continue to meet the needs of key construction projects and that ordinary projects will be taken into consideration in accordance with the principle of doing what we are capable of doing. While this is proper, because it is in keeping with the requirements for economic development, certain matters must be attended to in the 1984 state budget plan.

First, the amount of subsidies for agricultural production and other agricultural projects is lower than that of last year, and the increase of expenditures for cultural, educational, scientific, and public health projects is less than last year. We propose that, while implementing the plan, the central government appropriately increase its expenditures for cultural, educational, scientific, and public health projects of localities in accordance with the situation of financial growth. At the same time, we should promote cultural, educational, scientific, and public health development by encouraging all forms of educational projects and improving our way of spending educational funds.

Second, the general reserve funds amount to 1,350 million yuan, accounting for only 1 percent of the total budget expenditure. Of these general reserve funds, the central reserve funds amount only to 500 million yuan, which is on the low side.

In a country as big as ours, this amount is insufficient to cope with possible natural calamities or to cover other unexpected expenditures. In the future, we should increase the nation's general reserve funds as state revenues increase.

Third, in order to create favorable conditions for bringing into full play the role of intellectuals in socialist modernization, I suggest that positive measures be adopted to increase gradually the wages of intellectuals according to their positions and job titles, improve their material benefits, and show serious concern for the working and physical conditions of middle-aged intellectuals.

He said: With the above examination, the Financial and Economic Committee suggests that the NPC approve the 1983 state final accounts and the 1984 state budget and the "Report on the 1983 State Final Accounts and the Draft of the 1984 State Budget" made by State Councillor and Minister of Finance Wang Bingqian on behalf of the State Council.

Wang Renzhong said: At present, one problem stands out in our economic development. Our country is going to undertake large-scale economic and cultural construction, but it does not have sufficient funds. This contradiction is quite conspicuous. We must not overlook this contradiction even though the general situation is very good. The key to solving this contradiction lies in further implementing the policy of enlivening the domestic economy and opening to the outside world, accelerating the reform of the economic system, bringing economic relations into better balance, and striving to enhance economic results. We hope that the governments at all levels and the people of various nationalities throughout the country will work hard together under the leadership of the CPC Central Committee and the State Council, strive for successful execution of the 1984 state budget, and take new steps toward achieving a fundamental turn for the better in our country's financial and economic situation.

#### Li Xiannian at Hubei Discussion

OW251331 Beijing XINHUA in English 1249 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) — President Li Xiannian said here today that the policy of encouraging some people to become well-off first had been proved to be correct. A native of Hubei Province, Li Xiannian this afternoon attended a panel discussion of the provincial delegation to the current session of the National People's Congress. Encouraging some people to become well-off first so the rest would follow suit, Li said at the panel, was a realistic policy for developing China's economy.

President Li inquired in detail about the economic situation in the province and particularly the contract responsibility system being practised in the countryside. He said that economic development depended on the use of correct policies and advanced science.

He attributed the excellent situation in the rural areas to various forms of the contract responsibility system and the government policy of raising the purchasing prices of farm and side-line produce.

At this point, some deputies pointed out that, while the purchasing prices of farm produce were raised, the selling prices of certain means of production had also gone up. Li Xiannian asked if the peasants were still benefited. Most deputies present said that was true by and large.

Speaking on the responsibility system, President Li said that "to each according to his work" was a socialist principle of distribution, and the practice of "everybody eating from the same big pot", a new term for egalitarianism in distribution, did not accord with the principle. He stressed that this "big pot" system must be done away with. When he asked a deputy from his native village in Hongan County if that system had been abolished there, the answer was: "It has been completely abolished."

Li Xiannian also said that it was necessary to improve the responsibility system constantly and keep solving the new problems that might arise. The Chinese peasants were the most practical economists and policies toward them must be realistic and prudent, the president said. He also discussed with the deputies problems related to the state's financial difficulties. Some deputies said that the government should guard against extravagance and waste. The deputies asked President Li to go back to his native province for a look from time to time.

#### Wan Li on Animal Husbandry

OW251453 Beijing XINHUA in English 1431 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- Vice-Premier Wan Li said here today that China's stock-breeding industry, including pasture development, improvement of grass and animal strains and the processing of fodder and animal by-products, must be modernized. He said this at a discussion on the Great Hall of the People with National People's Congress deputies from pastoral areas on how to speed up the growth of animal husbandry in China. Accelerating the growth of animal husbandry, Wan Li said, is important for improving people's life and developing China's foreign trade. He asked the deputies to offer their suggestions for developing pastoral areas and proposals on policy matters.

With the improvement of people's living standards, Wan said, demand for beef, mutton and milk products will increase. But these items are still in short supply in Beijing. Efforts must be made to break down rules that restrict the expansion of the stock-raising industry.

Wang Enmao, first secretary of the Xinjiang regional party committee, said Xinjiang's lack of adequate transport facilities were hampering the expansion of animal husbandry.

Commenting on his remarks, Wan Li said that pastoral areas should take measures to improve the situation in accordance with local conditions, and they may buy aircraft for internal and external transport.

When Wang Enmao said that pastoral areas are short of vets and other technicians, the vice-premier said that major pastoral areas like Xinjiang, Tibet, Qinghai and Inner Mongolia should start secondary technical schools to train such personnel and teaching should be improved in line with local needs.

Wan Li said that pastoral areas should import advanced techniques and fine strains of grass seeds as well as expand their border trade with neighboring countries. He urged leading officials in Tibet to further emancipate their minds so as to speed up the development of Tibet.

NPC deputies present at the discussion spoke of their areas' achievements in animal husbandry in the past few years. The number of animals in stock in some areas hit all-time highs, they reported. They called for further measures to improve grass and animal strains and build more plants to process fodder and animal by-products.

State funds allocated to the minority areas should be used to help the poorest areas increase production, the vice-premier said. Wan Li stressed: "We encourage a number of people to get well-off first but we absolutely will not allow some people continue to go hungry." The pastoral areas should improve the production responsibility system there, he said. In conclusion, Wan Li said, leaders and people in various areas should work hard in the spirit of self-reliance and take full advantage of the favorable conditions to modernize the pastoral areas and improve people's life considerably.

#### Standing Committee Report

OW272222 Beijing XINHUA Domestic Service in Chinese 1531 GMT 26 May 84

[Text] Beijing, 26 May (XINHUA) — Chen Pixian, vice chairman of the NPC Standing Committee, delivered a report on the work of the NPC Standing Committee at a plenary meeting of the Second Session of the Sixth NPC today. The report pointed out: The work of the NPC Standing Committee is still in a process of great change. We shifted into a period of socialist construction from a period of revolutionary war. We gradually came into a period in which we have had the national political power in our hands, from a period in which the national political power was not in our hands. During the period when national political power was not in our hands, we primarily relied on policies to guide our work. During the period when we have the national political power in our hands, we should rely on both policies and a sound socialist legal system to administer our country.

Chen Pixian said: It is an important duty of the NPC Standing Committee to strengthen legislative work and the socialist legal system. In the past year, the Standing Committee examined and adopted five laws, five decisions on revising and supplementing various laws, and two decisions concerning legal questions. It has also examined "The Law on Regional Autonomy for Minority Nationalities (draft)" and "The Military Service Law (revised draft)" and decided to submit them to the current session for deliberation.

He said: In order to improve the examination of laws, the Standing Committee has, in the process of practice, gradually established some necessary procedures for examining and enacting laws:

1. Before a draft law is submitted to the NPC or its Standing Committee for deliberation, the Law Committee and the Commission of Legislative Affairs will conduct relevant investigations and studies in conjunction with the Economic Law Research Center of the State Council and other NPC special committees, solicit opinions from all quarters, and particularly pay attention to listening to different views.
2. Before a draft law is submitted to the Standing Committee for deliberation, an explanation of the draft law should be made to the Standing Committee and then the Law Committee and other special committees concerned should examine it in consideration of the opinions of the Standing Committee and the opinions of all localities and quarters.

3. To facilitate the deliberation of a draft law by the Standing Committee, the Commission of Legislative Affairs and the organ that prepared the draft law should furnish relevant basic materials showing major questions, major differences of views, and the focal point of the questions.

He said: In the past year, the Standing Committee strengthened its supervision over the implementation of the PRC Constitution and other laws. In December 1983, Chairman Peng Zhen delivered an important speech on the occasion of the first anniversary of the promulgation of the PRC Constitution. He emphasized "the necessity to implement the Constitution and other laws resolutely and to act in strict adherence to the Constitution and other laws." Now, the organs of state power at all levels have gradually strengthened their sense of legality and they generally pay attention to acting according to law. However, there are still some persons who are not familiar with the law, are not used to acting according to law, or do not attach importance to acting according to law. There are still law violations from time to time. To deal with the problems in this respect, the Standing Committee either reminded the law violators to pay attention to the law, or criticized them. It also adopted appropriate measures to correct problems of a common nature.

He said: To widely publicize the legal system is an important way to strengthen the socialist legal system. In this regard, the Standing Committee has done some work, but the work done is still far from enough. Recently Chairman Peng Zhen held three consecutive meetings of the Beijing journalistic circles to discuss how to improve the publicity of the legal system. The chairman's meetings decided that from now on Beijing's journalistic units will be invited to attend important meetings on examining and enacting laws to help them understand the situation and improve the publicity of the legal system.

In his report Chen Pixian discussed the work of the NPC Standing Committee in hearing work reports by various government departments concerned in the past year. They were: a report on the economic situation by State Councillor and concurrently Minister in charge of the State Economic Commission Zhang Jingfu, a report on striking at criminal offenses and striving for an early change for the better in public order by Public Security Minister Liu Fuzhi, reports by Culture Minister Zhu Muzhi, Minister of Radio and Television Wu Lengxi, Education Minister He Dongchang and Public Security Minister Liu Fuzhi on intensifying the building of spiritual civilization and opposing spiritual pollution, and reports by State Councillor and concurrently Minister of Foreign Affairs Wu Xueqian on current international situation and foreign affairs work and on Premier Zhao Ziyang's visits to the United States and Canada.

He said: The six special committees -- Nationalities, Law, Financial and Economic, Education, Science, Culture and Public Health, Foreign Affairs, and Overseas Chinese -- which were elected at the First Session of the Sixth NPC, have gradually unfolded the work in the past year and have begun to play an important role in reinforcing and replenishing the work of the NPC and its Standing Committee. Practice proves that it is entirely necessary to set up, in accordance with the stipulations in the Constitution, additional special committees in order to further perfect our country's system of people's congresses and enable the NPC and its Standing Committee to more effectively exercise the powers and functions of the supreme state power organ.

The report pointed out: In order to cope with the new situation and new demands, the Standing Committee has gradually stepped up its building by setting up regular administrative and necessary work systems. The chairman's conference and enlarged conference repeatedly discussed the question of strengthening the work of NPC Standing Committee.

The conference participants held that in order to do a good job in the work of the NPC Standing Committee, it is necessary to pay attention to the following aspects: First, it is necessary to pay attention to the relationship between the NPC Standing Committee and the government, as the former is a power organ and the latter its executive organ. The tasks of the NPC Standing Committee are, using the Constitution and laws as the criterion, to supervise the government's work and examine and decide on the fundamental, long-term and important questions of the country. It should not inappropriately interfere in the work of the government within the limits of its powers and functions. Second, it is necessary to pay attention to the differences in the tasks, work systems, and work methods between the NPC Standing Committee and the government. The NPC Standing Committee makes decisions and exercises powers as a collective. All laws and bills are collectively examined and decided upon by the Standing Committee, not by any individual or by any special committee. Third, members of the NPC Standing Committee should conduct comprehensive and systematic investigation and study on some fundamental, and long-range questions of the country, as well as proposals to be submitted to the NPC Standing Committee for discussion. Fourth, the work organ of the NPC Standing Committee cannot cope with the needs of the increasingly heavy workload of the Standing Committee and should be appropriately reinforced in order to enable the work organ to become an effective adviser and assistant.

Chen Pixian said: The foreign affairs activity carried out by the NPC and its Standing Committee is an important component of China's foreign affairs work. Last September, a Chinese party and government delegation with Peng Zhen, Political Bureau member of the CPC Central Committee and chairman of the NPC Standing Committee, as leader and Hu Qili, member of the Secretariat of the CPC Central Committee, as deputy leader paid a good will visit to Korea and attended the celebration on the 35th Korean National Day. The visit, which was given a warm and ceremonious reception, has added a new chapter to the annals of friendship between the two parties, two countries and the people of China and Korea. In the past year, the NPC Standing Committee stepped up friendly contacts with foreign parliaments. Four vice chairmen successively led an NPC delegation to visit 12 countries and the European Parliament. At the same time, the Standing Committee received parliamentary delegations from 15 countries and a delegation of the European Parliament on relations with China. Moreover, it also sent a delegation to the first forum of Asian parliamentarians on population and development in New Delhi, decided to join the International Parliamentarian Union, and sent an NPC delegation to attend the 71st general meeting and council meeting of the union held in Geneva.

He said: Along with China's growing influence in international affairs and further implementation of China's independent foreign policy and the policy of opening to the outside world, the NPC Standing Committee is facing a heavier task in conducting friendly contacts with foreign parliaments. To adapt to the new situation, the chairman's conference and enlarged conference discussed in particular the question on how to strengthen the NPC Standing Committee's foreign affairs work. It is the consensus of the members that in order to develop friendly and cooperative relations with foreign countries, oppose hegemonism and safeguard world peace, it is imperative to step up the Standing Committee's friendly contacts with foreign countries. It is necessary to strengthen the Standing Committee's organizational structure in order to improve the work in this field.

Chen Pixian said: Although the Standing Committee accomplished some work in the past year, shortcomings and problems remain in our work because we lack the experience and are still in the process of finding our way in the work.

We have not done some of the work that should be done or failed to make firm and sufficient efforts to do the work. He said: The Constitution entrusts great powers to the NPC and its Standing Committee. The people of all nationalities throughout the country place high hopes on the NPC and its Standing Committee. All the deputies must unite as one and work hard, conscientiously, and with one heart and one mind in order to bring into full play the role of the NPC as the supreme state power organ in the great struggle to build China into a powerful socialist country with a high degree of civilization and democracy.

#### Hainan Island Discussed

OW260948 Beijing XINHUA in English 0939 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) -- More than 2,700 deputies to the Sixth National People's Congress this afternoon heard reports on the work of the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate. An explanation of the bill on the formation of the People's Government of the Hainan Administrative Region was given at today's plenary meeting presided over by Wang Renzhong, executive chairman of the current session. The three reports were respectively delivered by Chen Pixian, vice-chairman of the NPC Standing Committee; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, procurator-general of the Supreme People's Procuratorate.

Explaining the bill, Minister of Civil Affairs Cui Naifu said that Hainan Island, China's second largest, is rich in natural resources and has great potential for development. Minister Cui stressed that it is important to accelerate the island's development which will help improve the local people's material and cultural life, strengthen unity among the various nationalities there and consolidate China's defenses in the South Sea.

He said the proposed Hainan Administrative Region covers Haikou City, the autonomous prefecture for the Li and Miao nationalities and 17 counties on Hainan Island as well as the Xisha, Zhongsha and Nansha Islands. The Hainan People's Government is under the leadership of the People's Government of Guangdong Province, Cui explained.

Since China's Constitution contains no provisions on the formation of local state organs such as the Hainan Administrative Region, he said, the State Council had proposed that the NPC session make a decision on this special issue.

Vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference, leading members of the Communist Party, government and People's Liberation Army attended today's meeting as observers. Hong Kong and Macao reporters were present as guests.

The NPC deputies are scheduled to have a day off tomorrow and resume panel sessions next Monday to deliberate the three reports and the State Council bill presented today. The next plenary meeting will be held the following Wednesday.

## Supreme Court President's Report

OW260826 Beijing XINHUA in English 0812 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) -- One-third fewer cases of criminal offense occurred in China in the first quarter of this year as compared with the same period of 1983. This was disclosed by Zheng Tianxiang, president of the Supreme People's Court, in a report he gave on its work in the past year to the current National People's Congress session here today.

Quoting statistics tabulated by the Ministry of Public Security, Zheng said the crime rate in the period under review went down by 33.2 percent thanks to the "intensive and effective" struggle against serious criminal offenders since the last NPC session held in June 1983. Among those punished by people's courts at various levels were murderers, rapists, arsonists, embezzlers, bribe takers, smugglers and violators of women's and children's rights, President Zheng said. He stressed this struggle was carried out entirely within the framework of the Constitution of China and the laws. The president said the struggle had won the warm support of the broad masses of people and their active cooperation. There had been marked improvements in public order and social conduct, he added.

Zheng Tianxiang emphasized that the people's courts firmly upheld the principle that all citizens were equal before the law. The accused, regardless of sex, occupation, family background, social status, property, etc., were treated equally according to the law. Those guilty of criminal offense law are duly punished and no one is allowed to shield criminals. This demonstrated the superiority of socialist democracy and legality, President Zheng stated.

He said that courts at all levels stressed the principle of taking facts as the basis and the law as the criteria to make sure that court cases were properly handled. The Supreme People's Court had exercised better supervision over criminal procedures in the lower courts. Over 610,000 cases of civil disputes were handled by Chinese courts between July 1983 and March 1984. Local courts had given better guidance to grass-roots organizations of mediation, which were responsible for the settlement of millions of minor disputes. Referring to existing shortcomings and problems in judicial work, Zheng Tianxiang said that some cases had been handled carelessly and certain judgments were not commensurate with the offenses. There has also been instances of not strictly following the criminal procedures. The trials of some civil and economic cases had not been handled in good time, he added.

Courts at various levels had taken measures or were taking measures to solve these problems, President Zheng said, misjudged cases must be redressed while correct judgments resolutely maintained. In both circumstances, he stressed, "our people's courts must display a high sense of responsibility to the Constitution and the laws and to the people."

## Further on Courts

OW260904 Beijing XINHUA in English 0853 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) — People's courts in China will continue strictly implementing the economic laws and regulations and protecting the legitimate rights and interests of the state, collectives and individuals as well as those of Overseas Chinese and foreigners. This was stated by Zheng Tianxiang, president of the Supreme People's Court, while presenting a report on its work to the Second Session of the Sixth National People's Congress here today.

In handling cases of economic disputes, the president said, the courts should be impartial in accordance with China's Constitution, laws and regulations, as well as its agreements with other countries and the international conventions to which China is a party.

Zheng Tianxiang disclosed that China has decided to establish maritime courts in such port cities as Shanghai, Tianjin, Qingdao, Dalian and Guangzhou to handle first instances of maritime cases, including those involving foreign interests. The new move aims to meet the growing needs of China's maritime shipping and foreign trade, he added.

The development of socialist modernization in China, he said, calls for vigorous efforts to make economic laws and enforce them. By the end of 1983, economic divisions had been set up at the Supreme People's Court, all higher and intermediate people's courts (excluding a few outlying areas), and 87 percent of the primary courts. Incomplete statistics show, he said, 37,000 cases of economic disputes were handled by courts at various levels between July 1983 and March 1984 in accordance with the law of economic contracts and other economic laws, and the law of civil procedures for trial use. The enforcement of economic laws has played an active part in maintaining economic order, protecting the legitimate rights and interests of the parties concerned and improving management and economic efficiency.

#### Procurator General Reviews Work

OW260920 Beijing XINHUA in English 0901 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) -- Procuratorates throughout China have cooperated with public security and judicial departments in successfully combating criminal offenses and maintaining public order according to the law in the past year. This was stated by Yang Yichen, procurator-general of the Supreme People's Procuratorate, while reviewing its work in a report to the current National People's Congress session here today.

The procuratorates have upheld the principle of the court, the procuratorate and the public security coordinating with and exercising check and balance over one another, Yang said. They have also adhered to the principle of taking facts as the basis and the laws as the criteria, the procurator-general stated.

In this way, the procuratorates have been able to raise the quality of their work in handling cases by conscientiously examining and re-checking evidence in a down-to-earth manner, Yang Yichen said. A few wrong cases or cases that escaped attention were corrected upon discovery, he said.

Yang Yichen said major successes have been achieved in this struggle, but procuratorial organs should be fully aware that this struggle is protracted, arduous and complex, and strive to bring about a fundamental turn for the better in public order.

Striking at economic offenses has been another important aspect of the procuratorates' work in the past year, Yang Yichen said. Between June of 1983 and March of 1984, the procuratorates throughout the country looked into more than 26,000 cases of economic offense, of which 1,790 were serious cases of embezzlement and bribery each involving at least 10,000 yuan. Judicial action in handling these cases has dealt a prompt blow to the serious offenders and ensured the smooth implementation of the policy of opening to the outside world and invigorating the domestic economy.

The procuratorates have also acted in accordance with the law in handling a number of cases of state functionaries encroaching on citizens' democratic rights, Yang said. This has served to uphold justice, protect citizens' democratic rights and safeguard the dignity of the law, he added. Procuratorial organs have displayed a sense of responsibility in handling accusations and complaints by people through letters and visits. Over 803,000 letters and visits have been handled in the past year, the procurator-general said.

#### Law Committee Deliberates

OW260800 Beijing XINHUA in English 0753 GMT 26 May 84

[Text] Beijing, May 26 (XINHUA) -- Views aired at the panel discussions of the current National People's Congress on revision of the two draft laws have been under deliberation at the NPC Law Committee. Guided by its Vice-Chairman Zhang Youyu, the committee held three meetings between May 24 and 26 to study the draft law on regional autonomy and the draft revised military service law. On the basis of opinions raised by the deputies, especially those from ethnic minorities, the committee made a number of revisions and changes to the draft law on regional autonomy. The changes were related to education, languages used in autonomous areas and training of women cadres from among minority nationalities.

Certain changes were also made to the draft of the revised military service law.

The Law Committee, one of the six special committees set up to examine, discuss and prepare bills and draft resolutions under the direction of the NPC and its Standing Committee, is drafting a report on the revisions to the draft laws. The report will be submitted to the Presidium of the current NPC session.

#### Peng Zhen on People's Congresses

OW281631 Beijing XINHUA in English 1518 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) -- A National People's Congress leader today stressed the role of local people's congress as the local organs of state power. Peng Zhen, NPC Standing Committee Chairman, said that many provinces in China have tens of millions and even 100 million people and that the country cannot be run well if the central authorities take too much power into their hands.

He was speaking at a forum attended by members of the NPC Standing Committee and chairman or vice-chairman of local congress standing committees of the provinces, municipalities and autonomous regions.

Peng said that the establishment of provincial congress standing committees which are vested with certain powers is aimed at bringing the local initiative into play and accelerating the country's socialist construction.

Speaking about the relations between the NPC Standing Committee and the provincial congress standing committees, Peng Zhen said, according to the Constitution, the NPC is the country's highest organ of state power while the local people's congresses are local organs of state power. The standing committees of the provincial people's congresses are not subordinate to the NPC Standing Committee.

Therefore, he said, the NPC Standing Committee should not interfere in the economic and social development plans and budgets and final accounts of various administrative areas examined and approved by local people's congresses. Nor should it interfere in the composition of local governments decided by the local congresses.

But he emphasized that ties between the NPC Standing Committee and provincial congress standing committees should be strengthened. Peng Zhen also stressed the importance of bringing the role of NPC deputies into full play. Unlike foreign congressmen or parliament members, most NPC deputies and even many members of the NPC Standing Committee are not full-time legislators.

In light of China's conditions, he said, the NPC deputies should play an active part first in the annual NPC sessions. They should pool their wisdom and deliberate major policies more carefully so as to ensure that the country will move forward in the correct direction.

Following each annual session, he said, the NPC deputies should check on the decisions and laws adopted at the session to see whether they are in keeping with the highest interest of the majority of people of all nationalities in the country.

Peng Zhen said that the NPC deputies should maintain close contact with their constituencies and with the people in general, and listen to and convey their opinions and demands. The opinions of deputies should be forwarded to the relevant standing committees.

He said that the standing committees of national and local people's congresses should organize deputies for inspections on special subjects. This is an effective way for the deputies to fulfill their duties, he added.

Seven local congress leaders spoke at the forum on the work of the NPC Standing Committee, its relations with provincial congress standing committees and the role of NPC deputies.

RENMIN RIBAO ON LINE ADOPTED SINCE THIRD PLENUM

HK251001 Beijing RENMIN RIBAO in Chinese 18 May 84 p 5

[Article by Yue Ping: "The Line Adopted Since the 3d Plenary Session of the 11th CPC Central Committee Is a Marxist Line"]

[Text] The 3d Plenary Session of the 11th CPC Central Committee convened in December 1978 was a great turning point in our party's history since the founding of the PRC. This plenary session decided on a shift of the focus of our party's work to socialist modernization. This decision and other important decisions made by the third plenary session marked the restoration of our party's Marxist political line. The 12th CPC National Congress proclaimed the general task (namely, general line) of our party at the present stage with an official statement carried in the party Constitution: "To unite the people of all nationalities in working hard and self-reliantly to achieve, step by step, the modernization of our industry, agriculture, national defense, and science and technology and to make China a culturally advanced and highly democratic socialist country." In the past few years, we have also drawn up a complete set of principles and policies under the guidance of the party's general line. And today, under the guidance of the line, principles, and policies of the party, the whole party and the people of all China, undaunted and energetic, are striving hard to fulfill this strategic goal.

Our party's historical experience has shown that it takes time for a correct line to be understood and accepted by the whole party after it is put forth and adopted. Although more than 5 years have passed since the third plenary session, a small number of people in our party still feel doubtful about, have no confidence in, and do not understand and support the line, principles, and basic policies adopted since the third plenary session because of the long-standing and entrenched "leftist" influence. Is the line adopted by the party since the third plenary session correct? Is it a Marxist line? These essential questions, which have important bearing on the achievement of a high degree of ideological and political unanimity in the whole party, must be thoroughly discussed.

#### Result Accomplished by Upholding and Developing Marxism-Leninism-Mao Zedong Thought

The party's political line must indicate the party's major targets and general task at a certain stage of revolution or construction as well as the basic approach and methods to achieve these targets and general tasks. In order to correctly solve these problems, we must rely on the enlightenment of the scientific Marxist theory. Only under the guidance of a correct theory can we shed light on the intrinsic nature of things, discover the special characteristics and objective law of revolution and construction, and thus draw up a correct political line and a complete set of principles and policies. Therefore, in order to judge whether the party's political line is correct, we must first find out what theory this line is based on.

In a rather long period in the past, our guideline for the work of the party was based on a set of erroneous "leftist" arguments and brought about some "leftist" mistakes. Disregarding the fact that the socialist transformation of the private ownership of production means has been basically completed and the exploiting classes no longer exist, this guideline insists that the contradiction between the proletariat and the bourgeoisie remains the major contradiction in our society, takes the struggle between the proletariat and the bourgeoisie as the major content of our basic theory and basic practice, magnifies the class struggle that exists within a certain scope in socialist society and emphasizes its existence as an absolute fact, and has led to the presentation of the so-called theory of "continued revolution under the proletarian dictatorship." All these viewpoints are obviously not in keeping with Marxism. And, of course, a guideline drawn up based on such an understanding can never be a Marxist guideline.

The line, principles, and basic policies adopted since the third plenary session are completely based on Marxist theory.

Since the third plenary session, our party has been resolutely making extensive efforts to set things to rights according to the principle of "emancipation of the mind, seeking truth from facts, uniting as one, and adopting a forward-looking attitude." The party has thoroughly examined its theoretical guidelines, disposed of all the erroneous "leftist" viewpoints which prevailed in the past, and restored Marxism-Leninism-Mao Zedong Thought in its true colors. At the same time, we have also conscientiously drawn lessons from our historical experience, studied new circumstances in a scientific way, summed up new experience, put forth a series of new and correct viewpoints and conclusions, and upheld and developed, under new historical conditions, Mao Zedong Thought which is the solid theoretical basis for our party's line, principles, and policies.

For example, our party has adopted a new viewpoint on the major contradictions in our country.

The decision by the third plenary session to shift the focus of our party's work onto socialist modernization has actually negated the long-standing erroneous thesis on the major contradiction of our country. The resolution adopted by the 6th Plenary Session of the 11th CPC Central Committee provided a complete definition of the major contradiction of our country: "The major contradiction which our country is faced with after socialist transformation is basically completed in the contradiction between the people's ever-growing material and cultural demands and the backward state of social production." This is a conclusion drawn from a scientific and conscientious analysis, in accordance with the basic principles of Marxism, of the political and economic conditions of our country at the present stage. And this is our party's theoretical basis in drawing up its political line.

The purpose of revolution is to liberate the productive forces. It is completely in keeping with the Marxist principle to take the development of economy and social productive forces as the kernel of our party's political line in accordance with the major contradiction of the country, violates the Marxist theory.

Only by clearly defining this major contradiction in theoretical terms can we profoundly understand, bear in mind, and staunchly implement the general line of our party, and conscientiously subordinate the work of our own departments and areas to the party's general line.

For example, our party has also adopted a new viewpoint on the basic contradiction of socialist society.

The contradiction between the relations of production and the productive forces and the contradiction between the superstructure and the economic basis remain the fundamental contradictions of socialist society. However, these contradictions were misunderstood and distorted by a one-sided perspective due to the domination of "leftist" thinking in the past. At that time, resolving the fundamental contradictions meant, with regard to the relations of production, to blindly follow the principle of "being larger in size and having a higher degree of public ownership" and to carry out the transition to poverty; and, with regard to the superstructure, to magnify class struggle, or even to ferret out the "capitalist roaders" and take over their power. We have been rectifying this erroneous "leftist" viewpoint since the third plenary session. We have been emphasizing that it is necessary to match the relations of production with the real level of the productive forces through reform, and to make the superstructure meet the needs of socialist modernization. Such a reform will really help to consolidate and develop the economic basis.

In the past few years, in light of the basic contradictions of socialist society, we made a thorough analysis of the economic setup, political setup, and various specific systems of our country. Through this analysis we discovered the shortcomings of these setups and systems, summed up historical experience, and put forth and elaborated a series of important theoretical problems, such as the various economic forms under the socialist conditions, the responsibility system and self-decisionmaking power regarding the management and operation of enterprises, opposition to the practice of "eating from the same big pot," the implementation of the principle of distribution according to work, the building of socialist spiritual civilization, systematization and legalization of democratic practices, the "four transformations" of cadres, and so on. All these efforts have provided the important theoretical basis for the formation of the line and various principles and policies of the party and for the reforms to be carried out in various fields.

In addition, all other new theoretical views extensively reflected in "Selected Works of Deng Xiaoping," "Selections of Important Documents Since the Third Plenary Session," "Collection of Documents Concerning the 12th CPC National Congress," and other books are new achievements our party has made in the theoretical field in the last few years.

All these theoretical achievements show the CPC central authorities' pioneer work in pushing ahead, in the process of history, the research of theory as the guidance to our practice and to the formulation of the party's general line and various principles and policies in the new historical period.

#### A Scientific Reflection of the Country's Realities and the People's Interests

The basic principles of Marxism must be combined with the actual situation in different countries. It is a fundamental requirement of Marxism as well as the kernel of Mao Zedong Thought to formulate the line, principles, and policies in a practical and realistic way in light of the national conditions of different countries. In disregarding the realities, one will have completely violated Marxism. Only by following our own path in accordance with the realities of China can we achieve success in revolution and construction. The crucial point of the falsehood of the "leftist" guideline is that it deviates from the realities of our country. Our party has been keeping high vigilance against such an erroneous tendency since the third plenary session.

In a certain sense, to proceed in everything from the realities of our country means to act according to the special characteristics of China. The CPC Central Committee has emphasized the two important characteristics of the country: First, our poor foundation; and second, a large population with limited farmland. In the past few years, when drawing up every principle and policy based on the requirements of the general line, the CPC Central Committee has been adhering to the principle of seeking truth from facts and has made a comprehensive analysis of the actual situation under the guidance of scientific theories. For example, because of the relatively low level of social productive forces and the imbalance of economic development in our country, we can give full play to the initiative of various circles and speed up economic development only by integrating various economic forms in a rational way. Therefore, we have given up the erroneous principle of "being larger in size and having a higher degree of public ownership," and gotten rid of the practice of transition to poverty, but adopted a new principle according to which various economic forms are to be developed while the state-owned economy plays a leading role. Also, for example, based on the fact that our country's economic foundation is poor and that we need to feed the people while sparing part of our resources to run construction projects, the CPC Central Committee accepted Comrade Chen Yun's proposal and adopted the important guideline of "first feeding the people and second carrying out construction." We also laid down the important policy of "opening the door to the outside world and enlivening the economy at home" in light of the objective needs of the economic development in our country and the changing international circumstances.

On the other hand, the CPC Central Committee readjusted and drew up a series of principles and policies concerned in light of the fundamental change in the country's social structure over the past 3 decades. For example, the viewpoint of "two estimations" (which held that the bourgeoisie had dominated the proletariat in the field of education over the 17 years before the "Great Cultural Revolution" and stated that most intellectuals, with a basically bourgeois world outlook, were bourgeois intellectuals) was forsaken. Intellectuals are recognized, along with the workers and the peasants, as a reliable force for the socialist cause and the party's policy toward intellectuals has been revised and readjusted.

The nature of various democratic parties in our country has been clearly defined, and these parties are recognized as political alliances of different groups representing socialist laborers and patriots supporting socialism and as political forces serving socialism under the leadership of the CPC. And, as a result, the principle of "long-term coexistence and mutual supervision" and "treating each other with all sincerity and sharing weal and woe" has been proclaimed as a principle to be upheld; the wrong argument that the problem concerning nationalities is by its nature a problem of class struggle under the socialist conditions has been negated; it has been affirmed that the current relations between nationalities in our country are basically the type of relations between laboring people of all nationalities; and based on the above, the goal of developing a new type of relations between nationalities characterized by fraternal unity, mutual help, and cooperation has been set forth.

By and large, the line, principles, and basic policies laid down by the party since the third plenary session in light of the national conditions and the actual situation in the country accord with the real circumstances of our country regarding the development level of social productive forces, social political conditions, natural resources, and so on. They are the product of integration of the Marxist universal principles and the concrete practice of socialist modernization in our country and the result of our efforts in upholding the four cardinal principles, correcting "leftist" mistakes, and opposing rightist tendencies. The line, principles, and basic policies adopted since the third plenary session, which are based on scientific theories on the one hand, and on the other, conform with the actual circumstances and the people's will, are free from the "leftist" and rightist deviations, completely correct, and thus in keeping with Marxism.

#### What Do the Effects of Practice Explain?

When appraising the party's line, principles, and policies, it is of primary importance to examine the effects of their practices.

Since the third plenary session, we have, under the guidance of the party's Marxist line, appropriately handled a large number of problems left over from history, implemented various policies such as the policies for cadres, the policies for intellectuals, the united front policies, and the nationality policies, and the policies on Overseas Chinese affairs, and readjusted the mutual relations between people so that the broad cadres, masses, and people of all circles may take an active part in the four modernizations with ease of mind. Economically, policies have been relaxed in both rural and urban areas; various forms, channels, and ways have been adopted to develop the economy. Hence, the masses are given a free hand to go in for socialism, and are enabled to bring into full play their initiative, wisdom, and intelligence in doing a good job in production and operation. The party's line, principles, and policies have greatly liberated productive forces, and the result is the rapid development of the national economy. Over the past few years, agriculture has taken the lead. Since the universal implementation of the system of contracted responsibilities with payment linked to output, the passive and stagnant situation of agricultural production of our country for over 2 decades has been changed, the question of the basic needs for subsistence of the broad peasants has been solved, the features of some poverty stricken areas have been changed, and some regions have already begun to grow rich. Such scenes of prosperity have not taken place since the founding of the PRC. In recent years, the average annual growth rate of the gross output value of industrial and agricultural production has grown somewhat faster and the indexes of the gross output value of industrial and agricultural production stipulated in the Sixth 5-Year Plan have been fulfilled 2 years ahead of schedule. It is universally acknowledged that the urban and rural markets are thriving in our country, and there has been a remarkable improvement in the livelihood of the broad peasants and workers and staff in cities and towns.

All this has convincingly demonstrated the correctness of the party's line, principles, and policies.

However, although some people admit that the economic development of our country is an undeniable fact, they are saying: "The achievements are laudable, but the orientation worries us." They are always doubtful of the party's line since the third plenary session, believing it to be rightist in essence. Such worries are without ground, and their censures do not hold water.

The fact is, through probes and reforms in recent years, we have been gradually changing the impractical ways of "being large in size and having a higher degree of public ownership," and requiring uniformity in everything, and have gradually abolished the malpractices of "egalitarianism" and "everybody eating from the same big pot." As a result, the socialist system is becoming more complete and perfect with each passing day. At present, the forms of the relations of our socialist production are somewhat suitable to the actual level of development, and are capable of promoting the development of productive forces at a comparatively quicker pace. The superiority of the socialist system of our country has been more obviously brought into play with each passing day. When talking about their experiences of the excellent situation since the third plenary session, the masses of some localities said: "We are all the more confident of socialism, and we feel all the closer to the party!" This is most representative of the sentiment of the masses, and has given expression to the essence and mainstream of things. In recent years our socialist system has not been weakened but strengthened, the prestige of the party among the masses has not been lowered but raised, our socialist cause is not retreating but is advancing in development, and we have not violated the four basic principles but have persisted in them under new historical conditions. Under the guidance of the party's line since the third plenary session, we are marching along the road of building socialism with Chinese characteristics.

The reason some people are doubtful of the party's line lies in the fact that they have been treating problems with "leftist" views, holding that our practices in recent years, in particular the implementation of the system of contracted responsibilities with payment linked to output has deviated from the socialist orientation. To their minds, socialism is still the practice of "being large in size and having a higher degree of public ownership," and "everybody eating from the same big pot." They have failed to understand that there is no fixed model for socialism. We should be good at creating a concrete form of relations of production, which is suitable to the needs of the development of productive forces at every stage of development, and is helpful to our continuing advance. In the vast countryside, the system of contracted responsibilities on the household basis has been implemented universally, with contracted responsibilities on the household basis as the main form. On the foundation of the responsibility system, there have appeared various forms of new economic integrated bodies in the rural areas. At present, we are actively supporting various types of specialized households in the countryside, and are developing commodity production and circulation in a big way. This is another important policy since the implementation of the system of contracted responsibilities with payment linked to output. We have persisted in the orientation of developing collective economy. In recent years, our collective economy has not been weakened, but consolidated and developed. This is precisely the concrete application and development of Marxism-Leninism on the theory of the cooperative system in our country. On such questions, we should not stick to those old molds which have been proved to be unsuitable to the state of affairs of our country. The fact is that the party's line is not rightist in nature, but some people's ideology is still confined in the frames of "leftism."

There are still other people who have focused on some shortcomings in our work or some bad social phenomena by seizing one point and ignoring the overall picture in an attempt to negate the party's line, principles, and policies. For instance, when they see some grave criminal activities in the economic and other fields, they begin to suspect the necessity and correctness in the party's policy on opening up the outside world. They have failed to really understand that in our times, economic development is no longer the isolated phenomenon of one single nation. The policy of opening up to the outside world is an important strategic decision for stepping up the pace in our socialist modernizations. They have also failed to see the tremendous effects which have been achieved since the implementation of the party's policy of opening up to the outside world. On the contrary, they have seized upon some minor phenomena, and even some which have nothing to do with the policy of opening up to the outside world, in making criticism and censures. Such ways of observing problems are far from proper. We should observe and analyze social phenomena in an all-round way. Looking upon advanced foreign science and technology as "fantastic skills," regarding all things foreign as improper and immoral, being afraid of opening up to the outside world, believing that seclusion is the only way to achieve the peace of the nation, such is the mentality of those who advocated closing the country to international intercourse in the history of China. Such a historical heritage should be thoroughly relegated. Marx proposed the topic of "international relations in production" long ago, now is the time for us to write on it at length.

Now, as we have a Marxist line, and a set of principles and policies which are suitable to the state of affairs of our country, there has appeared an excellent situation rarely seen since the founding of the PRC. Only by comparing can one distinguish. It is precisely by comparing the situations before and after the third plenary session that people have deepened their understanding of the party's line, principles, and policies. In all-round party rectification, and in the course of studying the documents on party rectification in depth, if we compare the tremendous successes achieved in the past 5 years since the third plenary session with the setbacks in the past, making an analysis of the cause of the setbacks in socialist construction in the past and the achievements made today, we will understand more profoundly the correctness of the party's line, principles, and policies since the third plenary session, and we will certainly be able to overcome the erroneous effects of "leftism," raise our awareness in maintaining unanimity with the party's Central Committee, and further realize a high level of ideological and political unanimity in the whole party.

ANHUI INTELLECTUALS HOLD 91 PERCENT OF TOP POSTS

OW261250 Beijing XINHUA in English 1101 GMT 26 May 84

[Text] Hefei, May 26 (XINHUA) -- Nearly all county and city governments in Anhui Province are now led by college or university graduates, according to the provincial Communist Party Committee.

Following a national reorganization drive which began three years ago, intellectuals now head governments in 68 Anhui counties and cities, 91 percent of the provincial total. The new leaders average 43.2 years old, down from 52.7 years before the drive. Only four county magistrates or mayors were college graduates in 1983.

Outstanding intellectuals are being promoted to aid China's modernization drive by making cadres younger, better educated, and more competent, the party committee said. Agronomist Hu Qingchang, elected head of Feixi County earlier this year, is a 1964 graduate of the Anhui Agricultural College. Last year, he signed technical contracts with 320 local peasant families on rice cultivation and gave them technical guidance which helped increase rice output to eight tons per hectare, 63 percent more than in 1982. 42-year-old Sun Yifan, who was promoted to the leadership of Shucheng County last January, has conducted reforms in the economic management system of the county.

ANHUI ENDS 4-DAY MEETING ON URBAN MILITIA WORK

OW290629 Hefei Anhui Provincial Service in Mandarin 1100 GMT 26 May 84

[Excerpts] The 4-day provincial discussion meeting on urban militia work closed yesterday afternoon in Hefei.

Li Baoqi, deputy political commissar of the Nanjing PLA units; Hou Yong, vice governor of Anhui; and Jiu Dehe, commander; and Zhang Linyuan, political commissar of the Anhui Provincial Military District; attended and spoke at the meeting. Also present were other leading comrades of the provincial Military District, including Li Pingzhang, Guo Shengkun, Wang Zhaocheng, Yan Ping, and Xiong Yukun.

The meeting heard reports by 15 units on their experience in carrying out urban militia work under the new conditions. Vice Commander Guo Shengkun delivered a report on the basic situation in urban militia work, the basic experience gained, and the future tasks for this work. Participants also watched a streetfighting demonstration by the militiamen of Hefei City. The meeting held that, although our province has gained some results and experience in urban militia work reform, it is only a beginning. In order to create a new situation in urban militia work, it is necessary to keep pace with the restructuring of the urban economy, deepen reforms in militia work, step by step, and in line with the progress made in restructuring the urban economy, and constantly study new situations, solve new problems, and adapt to peculiar new elements. The meeting called on all cities to further eliminate leftist influence, emancipate the mind, widen vision, and strengthen leadership when carrying out militia work reforms in the days to come. It also called on them to popularize experiences in incorporating militia work with enterprise management, to meet the needs of the four modernizations.

The meeting held that while promoting militia work, we must focus close attention on the building of material and spiritual civilization and consciously see to it that the work will serve and be subservient to the party's general tasks and goals.

#### NAVIGATION CANAL OPENS IN ANHUI PROVINCE

0W261405 Beijing XINHUA in English 1031 GMT 26 May 84

[Text] Hefei, May 26 (XINHUA) -- A new canal was opened to navigation in northern Anhui Province, east China, earlier this month.

The 134-kilometer Cihuai Canal links the Yinghe, a major tributary of the Huaihe River, with the latter's main course. Running across five counties, the west-east canal cuts the navigation route between Fuyang along the tributary and Bengbu, a trading center along the Huaihe, by 98 kilometers. Previously boats had to cruise the tortuous course of the Yinghe River before reaching the main course of the Huaihe River. The new canal will carry 600,000 tons of cargo annually. Digging began in the winter of 1971 and was completed in 1980. Dredging and construction of shiplocks took four years.

The new canal is expected to help develop the Huaihe plain, one of China's major grain producing areas, and promote the flow of goods between Anhui and neighboring provinces.

#### ANHUI CONTRACT RESPONSIBILITY SYSTEM BOOSTS FUNDS

0W270822 Beijing XINHUA in English 0801 GMT 27 May 84

[Text] Hefei, May 27 (XINHUA) -- Chuxian Prefecture in Anhui Province, a pioneer in the rural production responsibility system in China, has reported a large growth in public funds contributed by peasants over the past five years.

The prefectural Statistical Department said that the prefecture, which includes seven counties and 250 communes, has accumulated 180 million yuan since 1979 when the contract responsibility system was introduced. This amount is almost equivalent to the value of the total fixed assets of all the communes in the prefecture in 1978, the department said. Only five years ago, more than 50 percent of the production teams in the seven counties were unable to make ends meet and had little power to improve public welfare facilities. The poorest area, Fengyang County, owed the bank 18.83 million yuan in loans, while the value of its total collective fixed assets was only about 18.79 million yuan in 1978.

With the introduction of the contract responsibility system, which stimulates the initiative of the peasants in production, the grain output of the prefecture has doubled, and per capita peasant income increased 3.5 times in five years, the department said. Though under the new system the land has been contracted out to individuals or households, the communes and their subdivisions still function as collectives with public funds for rural capital construction and welfare facilities.

Now better off, the peasants have more money to contribute to the public funds. Of these funds, the communes and their subdivisions in the prefecture have spent 120 million yuan building power transmission lines to bring electricity to peasant homes, new roads, and hydropower stations as well as schools, cinemas, theaters and homes for the aged. Apart from building more public welfare facilities, the prefecture has made great efforts to develop rural industries and other enterprises to take in the surplus labor relieved from the fields. These collective undertakings have not only helped boost peasant income but stimulated the development of farm production. The total output value of rural enterprises run by people's communes and their subdivisions increased from 57.6 million yuan in 1978 to 125.08 million yuan. The number of employees increased from 55,000 in 1978 to 66,000 in 1983. These enterprises cover a wide range of production, including building materials, farm produce processing, farm machines, catering and transport.

#### FUJIAN'S XIAMEN TO FOLLOW MORE FLEXIBLE POLICIES

OW281435 Beijing XINHUA in English 1404 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) -- Xiamen in Fujian Province, east China, is taking new steps to carry out the State Council decision to open the whole city to the outside world as a special economic zone.

This was stated by Lu Zifen, a National People's Congress deputy and secretary of the Xiamen City Committee of the Communist Party of China, at a press conference here today. The Xiamen special economic zone was first meant to be an export processing district, covering only 2.5 square kilometers, said the city leader, who is now attending the NPC session here. Now, the zone will be extended to cover the whole city, including several outlying smaller islands. Overall city planning is being made for the expansion.

Lu Zifen told Chinese and foreign reporters that the first-phase projects will cover a new industrial district, a new urban district and a new tourist center. The whole project is expected to be completed within five years, but some of them will be finished and put into operation in two years. Construction of infrastructure facilities, such as the international airport and four berths for ships of 10,000 tons and above have been completed, while the installation of program-controlled telephones is nearing completion.

More flexible policies will be adopted for the Xiamen zone, the city leader stated. Under a tentative program, capital from foreign countries as well as from Hong Kong, Macao and Taiwan will be allowed to flow in and out freely and the Chinese currency can be converted into foreign exchange.

Lu Zifen said that raw materials, equipment, and household items needed by investors can be imported free of customs duties. Investors can sell part of their products on the Chinese market, rent land from the city and receive preferential treatment in other ways. Procedures for entering and exiting from the zone will be simplified.

Lu Zifen said that investors can run industrial enterprises, tourist services and real estates. They can also invest in the renovation of the old city districts or engage in agriculture, animal husbandry and breeding of aquatic products. He said that in the first three months of this year, the Xiamen special economic zone received more than 200 million U.S. dollars of overseas investment in projects like hand weaving, food-stuffs, brewing, cigarette making, textile and plastics production and housing construction.

QIN HEZHEN GIVES SHANDONG CONGRESS WORK REPORT

SK250416 Jinan DAZHONG RIBAO in Chinese 2 May 84 pp 1-2

[Work report of the Shandong Provincial People's Congress Standing Committee delivered by Qin Hezhen, chairman of the People's Congress Standing Committee at the second session of the Sixth Provincial People's Congress on 25 April]

[Excerpts] Fellow deputies: I, entrusted by the provincial People's Congress Standing Committee, would like to deliver the work report of the Standing Committee to the second session of the Sixth Provincial People's Congress.

Since the first session of the Sixth Provincial People's Congress, which was held in April 1983, the Standing Committee of the provincial People's Congress, under the guidance of the spirit of the 12th CPC Congress, has executed the power authorized by the "Constitution" and "The Organic Law for Local Congresses, Governments" to implement earnestly various resolutions adopted by the first session and to do a great deal of work in accelerating the pace of conducting transformation while continuously and successfully carrying out the readjustment of the national economy, in developing socialist democracy, in perfecting socialist legal systems, in pushing forward the program of building the two civilizations, in achieving a turn for the better in financial and economic aspects and in social morale, and in creating a new situation in the program of building socialist modernization.

1. We have examined and approved our province's major important matters.

The major important duty of the local People's Congress Standing Committee is to discuss or approve the major important matters concerning the work of politics, the economy, culture, and education in their administrative areas. Over the past year, the Standing Committee of the provincial People's Congress has held seven meetings to hear the reports given by the departments concerned and to discuss and approve the issues of economic construction, organizational reform, culture and education, and of public security. The Standing Committee of the provincial People's Congress has earnestly relayed and implemented the spirit of the first session of the Sixth NPC. The Standing Committee has dealt with the issues concerning organizational reform. Over the past year, our province has done a great deal of work and has scored marked achievements according to the directives of the CPC Central Committee and the State Council in readjusting administrative areas, carrying out organizational reform, and in building leading bodies at all levels.

The Standing Committee has dealt with the matters of dealing stern blows to criminal activities and to serious economic crime. Under the leadership of the provincial CPC Committee, the judicial and public security departments across the province, according to the central unified arrangement and the principle of "giving heavy punishment to criminals in a timely manner so as to round up all the criminals at one time," has launched the stern struggle against criminals in a guided, planned, and organized manner and has continued their struggle against serious economic crimes.

The Standing Committee has dealt with the issue of weeding out spiritual pollution. The Standing Committee has dealt with the issues of preventing the "two arbitrariness" to concentrate financial and material resources on ensuring the construction of key projects. In June 1983, the CPC Central Committee and the State Council made a decision on resolutely blocking the arbitrary price hike of production means and on refraining from apportioning the expense arbitrarily to the people so as to concentrate financial and material resources on ensuring the smooth construction of the state key projects. In implementing the decision, the provincial People's Government and the departments concerned have actively engaged in the work in this regard and have basically stopped the evil trend of the "two arbitrariness," resulting in basically securing of the key project construction.

The Standing Committee has dealt with the issues of developing general education. Education is one of the strategic priorities in developing the economy. Over the past few years, our province has achieved new development in educational undertakings thanks to the concerted efforts exerted by the party committees, the people's governments, and the broad masses of cadres, the people, and educational workers at all levels.

## 2. We have continuously strengthened the building of legal systems.

The work of developing socialist democracy and carrying out the program of building socialist modernization must be protected by enforcing and perfecting legal systems. Therefore, over the past year, the Standing Committee of the provincial People's Congress, according to the "Constitution" and the provisions of laws, has continuously enhanced the building of legal systems.

## 3. We have done a good job in approving personnel changes.

Success in supervisory personnel appointment and dismissal is an important task of the Standing Committee of the provincial People's Congress in exercising its supervision over the governments, courts, and procuratorial offices. Over the past year, in line with the arrangements of the CPC Central Committee and the State Council, our province has conducted organizational transformations at provincial, city, prefectural, and county levels and has regarded as a matter of major importance the work of successfully assigning state working personnel and correctly approving personnel changes according to the demand "that leading bodies be composed of personnel who are young revolutionaries and are full of knowledge and specialized technology." The province also feels that its success in personnel appointment and dismissal has a vital bearing on whether or not the province can achieve stable results in organizational reform and in the correct implementation of the party line, principles, and policies.

## 4. We have enhanced our contacts with deputies of the provincial People's Congress and with the standing committees of the city and county people's congresses.

Staying in touch with deputies so as to bring their role into full play is the foundation of successfully fulfilling the People's Congress Standing Committee work. Over the past year, the Standing Committee of the provincial People's Congress has improved its work of keeping in contact with deputies.

## 5. We have done a good job in conducting the self-improvement of People's Congress standing committees.

People's congress standing committees are local organs that possess state power and assume the heavy tasks of managing state affairs. To successfully execute their power, authorized by the party and the people, they must enhance their work of conducting self-improvement. Over the past year under the leadership of the provincial CPC Committee, the Standing Committee of the provincial People's Congress has emphatically grasped the following numerous tasks while continuously upgrading the political quality, professional standard, and work efficiency of the Standing Committee's staffers and the working personnel of its organs:

The Standing Committee has dealt with the issues of ideological construction. Most members of the Sixth Provincial People's Congress Standing Committee are newcomers who are not familiar with the local People's Congress Standing Committee work. To upgrade their understanding of the character, position, and role of the Standing Committee's duty and tasks, all members attending the first meeting of the Standing Committee earnestly studied the Organic Law for Local Congresses and Governments and the important speech given by Comrade Peng Zhen in regard to the work of local People's Congress standing committees. A large number of them, through the study, have improved their incorrect views of People's Congress Standing Committee work.

The Standing Committee has dealt with the issues of organizational construction. The Standing Committee of the provincial People's Congress is not only an organ that possesses state power, but also an organ that conducts state work. To fulfill its tasks, the Standing Committee must establish necessary working organs which should be filled with working personnel. To this end, the Standing Committee of the provincial People's Congress has paid great attention to strengthening organizational construction.

The Standing Committee has dealt with the issues of work style improvement. Fostering a good work style is the guarantee for fulfilling political tasks. The Standing Committee of people's congresses is an organ that reflects the people's will and represents the people's interests and power. Its work of mapping out local regulations and rules or examining and approving the major important matters of its administrative areas has great significance and is closely related to the situation as a whole. Therefore, since January 1984, the Standing Committee of the provincial People's Congress has established a system in which the chairman and vice chairmen of the Standing Committee have to take turns reading the people's petition letters and receiving the people on their petition visits, resulting in further contacts with the masses and further improvement of leaders' work style.

Fellow deputies: At present, we are in the new historic period in which we are creating a new situation in the program of building socialist modernization. However, the new period and the new situation have set forth new demands on the work of the People's Congress Standing Committee. The heavy tasks imposed on us by history and the people's trust urge us to double our efforts to boldly conduct our work and to pioneer the road of advance. Under the guidance of the spirit of the 12th CPC Congress, we pledge to better perform the duty of the People's Congress Standing Committee, to bring into full play the role of the local organs that possess state power, to develop socialist democracy, to perfect socialist legal systems, to unite with the people throughout the province so as to strive to fulfill or overfulfill the province's plans for 1984, to realize the task set forth by the second session, and to push our province's program of building the "two civilizations" to a new stage.

#### SHANDONG GRADUATES URGED TO ACCEPT ASSIGNMENTS

SK281111 Jinan DAZHONG RIBAO in Chinese 9 May 84 p 1

[Excerpt] The Propaganda Department of the provincial CPC Committee, the provincial Educational Department, and the provincial CYL Committee recently held a provincial conference on conducting ideological and political education among the graduates of universities, colleges, and secondary vocational schools. The conference called for efforts to strengthen ideological education among the students who will graduate this year so as to make them voluntarily submit to state distribution and actively contribute to the four modernizations. Cui Weilin, Standing Committee member of the provincial CPC Committee and director of the Propaganda Department, spoke at the conference.

This year, more than 13,200 students in our province will graduate from universities and colleges and more than 24,500 students will graduate from secondary vocational schools.

At present, most of these graduates have been willing to submit to state assignment without preconditions. Some of them, however, still have some ideological problems. For instance, some are afraid of difficulties and hardships; some are reluctant to leave cities; some feel regret at parting from their parents; some are reluctant to serve in agriculture even though they majored in agriculture; some students majoring in teaching do not like to teach; and some majoring in engineering are reluctant to serve in the forefront of industrial and mining production.

The conference called on all universities, colleges, and secondary vocational schools to strengthen ideological and political work among their graduates. The graduates should be educated in current tasks, ideals and prospects, the spirit of arduous struggle and revolution traditions, and should be educated to obey state assignment so as to rouse their enthusiasm in serving the four modernizations and the motherland.

#### CHEN GUODONG ADDRESSES SHANGHAI MUNICIPAL MEETING

OW271807 Shanghai City Service in Mandarin 1100 GMT 25 May 84

[Text] Chen Guoding, first secretary of the Shanghai Municipal CPC Committee, addressed a Shanghai municipal meeting on summing up the city's discipline inspection work on 25 May morning.

He said: In order to achieve a remarkable turn for the better in party style in committees at all levels must pay attention to correcting mistakes while undertaking party rectification this year, the party committees at all levels must pay attention to correcting mistakes while undertaking party rectification or correcting mistakes before undertaking party rectification. They should attach great importance to discipline inspection work and treat as important items on their daily agenda questions concerning the efforts to set the style of the party right and to enforce party discipline.

The municipal meeting conveyed to the participants and discussed the guidelines of the work conference of the Central Commission for Discipline Inspection. It also set out Shanghai's tasks and the measures to achieve a fundamental turn for the better in party style in the course of party rectification this year. Comrade Chen Guodong emphasized the responsibilities of the party committees at all levels to set party style right. He pointed out that if the principal responsible persons fail to take the lead in setting party style a right and enforcing party discipline, and if they fail to ensure a good party style, they are neglecting their duty. It is very hard to say that they could achieve ideological and political unity with the party Central Committee. Wang Yaoshan, secretary of the municipal Discipline Inspection Commission, also addressed the meeting. He said that a top priority task is to continue to form the leading body and strengthen the working body of the Discipline Inspection Commission. These bodies should be composed of cadres who meet the requirements of a discipline inspection cadre, and should exclude the three types of persons or persons who are unfit to do discipline inspection work.

#### CHILDREN'S HEALTH CARE IMPROVES IN SHANGHAI

OW290302 Beijing XINHUA in English 0238 GMT 29 May 84

[Text] Shanghai, May 29 (XINHUA) -- Children in Shanghai are growing stronger and taller, according to the Municipal Bureau of Health.

The average 1-to-7 year old in the east China industrial city is now about a kilogram heavier and up to 2.56 centimeters taller than his counterpart in the 1950's. The increases were due to better nutrition and increased health care, an official said.

Infant mortality in the same 30-year period was down from 40 per thousand to around 15 per thousand. More than half of all infant deaths came in the first seven days after birth, with premature delivery and congenital defects the main causes, he said. Over 20,000 children are born each year in Shanghai, which has a pre-school population of 1,032,000. New-borns are given seven general health check-ups in their first year of life, followed by comprehensive examinations once a year until they reach the age of six. The city has pediatrics wards in all its major medical institutions and three special children's hospitals, for a total of 2,700 beds. It also has 26,800 nurseries and kindergartens with an enrollment of 632,000 children. The schools are staffed by over 81,000 child-care professionals. To help ease a shortage of nursery places, young mothers unable to find household help are urged to take a full year's leave from their jobs to care for their children.

GUANGDONG PARTY RECTIFICATION GROUP MEETS

HK240802 Guangzhou NANFANG RIBAO in Chinese 20 May 84 p 1

[Report: "Party Rectification Guidance Group of the Provincial CPC Committee Holds an Experience Exchange Meeting Calling for a High Demand on Comparison and Examination of Leading Bodies and Individuals"]

[Text] On the morning of 9 May, the party rectification guidance group of the provincial CPC Committee held an experience exchange meeting on doing a good job in comparison and examination of leading bodies and individuals of units of the first stage of the first batch of units undergoing party rectification. The United Front Work Department under the provincial CPC Committee, and the general office of NANFANG RIBAO and of YANGCHENG WANBAO introduced their practices and experiences at the meeting.

Attending were the leading comrades of CPC committees and party groups of units directly under the provincial CPC Committee and government undergoing party rectification, directors of party rectification offices, and responsible comrades of the liaison groups stationed at various units sent by the provincial CPC Committee.

The first batch of 42 units directly under the provincial CPC Committee and government undergoing party rectification have shifted in succession from the stage of studying party rectification documents to the stage of comparison and examination, according to the requirements of Circular No 7 issued by the Central Commission for Guiding Party Rectification.

The experiences and practices introduced at the meeting by the United Front Work Department under the provincial CPC Committee, the general office of NANFANG RIBAO and of YANGCHENG WANBAO are chiefly as follows:

1. It is imperative, based on the chief purpose of comparison and examination as expounded in Circular No 7 issued by the Central Commission for Guiding Party Rectification, to set up an explicit guiding idea and carry out comparison and examination with high standards and strict demands.

2. It is necessary to adopt diversified forms and methods in creating a good atmosphere for criticism and self-criticism. These forms and methods are: The leading members must set an example in making self-criticism, listening to criticism in earnest, daring to look upon those comrades who have criticized them as their good teachers and helpful friends; they unfold heart-to-heart talks extensively in sincerity, moving others with their true feelings, deepening their understanding of each other, and promoting friendship; and the liaison groups stationed in all units are playing the role of bridging the gaps and serving as guides in the activities of carrying on heart-to-heart talks.

3. It is necessary to thoroughly negate the "Great Cultural Revolution," to further eliminate the ideological effects of "leftism," to unify understanding of the "Cultural Revolution" on the basis of the resolution adopted by the 6th Plenary Session of the 11th CPC Central Committee, and to enhance awareness in implementing the line, principles, and policies adopted by the 3d Plenary Session of the 11th CPC Central Committee. The United Front Work Department under the provincial CPC Committee is focusing on solving this problem and introducing experiences in this aspect, which is of universal significance.

In his speech, Wang Ning, secretary of provincial CPC Committee and deputy leader of the party rectification guidance group of the provincial CPC Committee, first fully affirmed the experiences and practices of the United Front Work Department under the provincial CPC Committee and the other two units, and set requirements on how to do a good job in comparison and examination in the next stage. They are:

First, regarding those units that have not yet undergone collective comparison and examination, or those units that have just shifted to the stage of leading cadres making personal comparison and examination, it is necessary for them to make serious checks on whether their guiding idea for examination is clear, and whether they are demanding high, strict standards of themselves, whether they have unfolded heart-to-heart talks in earnest, and whether the rank and file party members dare make criticism.

Second, regarding those units in which the personal comparison and examination of leading cadres have come to a close and have shifted to the stage of comparison and examination of cadres at the section level, it is necessary for them to make organization at all levels profoundly understand that the comparison and examination stage is a key stage of party rectification. Therefore, they should concentrate their minds and energy in meticulous organization, making one link join closely with another, and they should by no means slacken their leadership on the grounds of being too occupied with professional work or allow the appearance of slackness at a latter stage.

#### CPC MEMBERS TOLD TO 'NEGATE' CULTURAL REVOLUTION

HK280358 Guangzhou NANFANG RIBAO in Chinese 24 May 84 p 1

[*"Nanfang Forum"* article by Zhuang Zhi: "Thorough Negation, or With the Strands of a Broken Lotus Root Remaining"]

[Text] Whether we should totally negate the "Great Cultural Revolution," the internal disorder that lasted 10 years, or continue to be connected to it somehow, is a question to which all party members should give a definite and correct answer when they make comparisons and examine themselves in the course of party rectification.

Whether or not we should totally negate the "Cultural Revolution" is an important question of principle. Our party members are tested by the way they handle this problem.

What test? It is not an ordinary test. It is a test for finding out whether or not we have staunch party spirit, whether or not we support the resolutions adopted by the 6th Plenary Session of the 11th CPC Central Committee, and whether or not we act in unison with the Central Committee in ideological and political affairs.

Why are there people who are against the total negation of the "Cultural Revolution"? Why are there people who say the "Cultural Revolution" should be negated and yet cannot adjust their feelings and thinking and who continue to be connected to the Cultural Revolution? It seems the principal reason is that the influence of "leftist" ideas has not been thoroughly eliminated. That is where the obstacle lies.

Without a thorough elimination of the influence of the "leftist" ideas, we cannot totally negate the "Cultural Revolution;" and without a total negation of the "Cultural Revolution," we cannot thoroughly eliminate the influence of the "leftist" ideas. The two are closely related to each other. Without a total negation of the "Cultural Revolution" and without a thorough elimination of the influence of the "leftist" ideas, we cannot enhance our party spirit. Is this not obvious? To the majority of our comrades, this is a question of how to heighten our awareness. However, we absolutely can not underestimate the "leftist" influence. There are still people who cannot free themselves from the fetters of "leftist" influence and who are in a state of unawareness. So is it not crystal clear that it is very important to totally negate the "Cultural Revolution"? Some people say that they approach the problem of the "Great Cultural Revolution" with "profound proletarian sentiments" and "unlimited faith in the leader." This precisely shows that they are too profoundly influenced by the "leftist" influence. Please try to figure out what kind of sentiments these are.

We must take a Marxist stand and the stand of party spirit and totally negate the "Cultural Revolution." We absolutely can not continue to be connected to it. In the course of totally negating the "Cultural Revolution" we should be educated by it, draw lessons from it, heighten our awareness, and enhance party spirit.

We must make a clean break with the "people of three categories." It is not strange that such people are against the total negation of the "Cultural Revolution." We Communist Party members must remain sober-minded and totally negate the "Cultural Revolution."

#### GUANGDONG GOVERNMENT, COMMUNE DIVISION COMPLETE

HK231018 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 23 May 84

[Text] The work of separating government administration from commune management and establishing districts and townships throughout the province has been completed in an all-round way. So far, the province has set up 1,833 district offices and 19,783 township governments and has newly established 342 towns and 48,074 village committees.

Since the work of separating government administration from commune management and establishing districts and townships commenced throughout the province in 1983, the leading cadres of party and government at all levels have regarded it as an important subject in rural structural reform and have paid close attention to doing the work well.

After the separation of government administration from commune management and the establishment of districts and townships, the division of work between party, government, and enterprise, and the responsibilities of districts, townships, and villages are clearly defined.

#### GUANGDONG HOLDS FORUM ON ECONOMIC MANAGEMENT

HK290247 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 28 May 84

[Text] A forum on the topic of leadership and management, which was co-sponsored by the provincial government office and the provincial office for absorbing qualified personnel from abroad, was held in the meeting hall of the province's scientific research institution this morning [28 May]. Nearly 1,000 people, including those in charge of economic affairs of committees, offices, departments, and bureaus directly under the provincial government, and experts and scholars of universities and colleges, and scientific research institutions, attended the meeting.

Mr (Chen Kun-yao), doctor of economics of the British Oxford University and professor at the department of economy of Hong Kong University gave a speech at the meeting, entitled "Economic Development in Hong Kong and the Process and Prospect of Turning it Into an International Financial and Trade Center."

Vice Governor Wang Bingshan attended and spoke at this morning's meeting.

HEILONGJIANG HOLDS INTELLECTUAL WORK CONFERENCE

SK280328 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 27 May 84

[Excerpts] The provincial intellectual work conference sponsored by the provincial CPC Committee concluded satisfactorily this afternoon after a 5-day session. The participants intensely studied ways to strengthen party leadership over the intellectual work, and came to understand that successfully carrying out the intellectual work is a very pressing task. They were determined to solve problems in a down-to-earth manner, open up a new situation in the province's intellectual work and further urge the masses of intellectuals to plunge into the four modernizations. Li Lian, secretary of the provincial CPC Committee and director of its organization department, spoke at the conference. Attending were leading comrades of the provincial CPC Committee, Advisory Commission, People's Congress Standing Committee, Government, CPPCC Committee and Discipline Inspection Commission.

The participating comrades revised after discussions some regulations on rational use of intellectuals, the regulations on strengthening the training of intellectuals, some regulations on improving the work and living conditions of intellectuals and the regulations on strengthening the ideological and political work among intellectuals.

The conference point out: The provincial CPC Committee has regarded intellectual development as a strategic issue and has placed it in a prominent position in the economic work. This requires us to continue to attach importance to giving play to the role of intellectuals and conscientiously attend to it. First, we should turn intellectuals to best account and make full use of their talents according to their political integrity, ability and specialities and the needs of our work. Second, we should make use of the role of intellectuals through various channels. We should make use of their role both in the leading body and in their professional jobs, both as decision makers within the leading body and as brain trustees outside the leading body, and both in their own units and in the society. Third, we should adopt effective measures to unify responsibility, power and profit and give fully play to the intellectuals' initiative and creativity.

The conference held that the living and work conditions of intellectuals have been improved to a certain extent over the past few years. We should continue this work. There are, however, still ideological obstacles, mainly the ideology of egalitarianism. We should help the people with such an erroneous ideology understand that the role of intellectuals' brain work in social production is much larger than that of manual labor but, in terms of the wealth they create, their present pay is much smaller than that of ordinary laborers. In line with the principle of more pay for more work, we should try to increase the pay of intellectuals. The provincial has decided to adopt special measures to solve as soon as possible the housing problems of primary and middle school teachers. The provincial has issued a document urging all localities to enforce immediately the Heilongjiang Provincial Regulations on Subsidizing Some Scientific and Technical Personnel.

HEILONGJIANG HOLDS CONFERENCE ON DROUGHT

SK260415 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 25 May 84

[Text] On the evening of 25 May, the provincial CPC Committee and government held a telephone conference calling on the vast countryside to take immediate action in combating drought and in ensuring the full growth of seedlings.

Deputy Governor Wang Lianzheng gave a speech at the telephone conference. He said: The province has a total of 47 countries suffering from drought. Some 27.6 million mu of fields have been afflicted.

According to the meteorological department's forecast, temperatures will continue to rise in early June and the drought will worsen. Meanwhile, all localities should strengthen confidence in combating drought in order to reap a bumper crop. Leading comrades of some townships and towns have a blurred understanding of the drought, and their idea of awaiting rain at the mercy of the elements is serious. Such attitude should be changed rapidly. We should make full use of the existing water conservation facilities to combat drought; try all possible means to tap water resources; make use of all equipment available to collect, draw, and transport water to irrigate fields; and publicize all effective antidrought measures vigorously, including using farm machines and implements and drilling wells to combat drought. We should consider water conservation measures as cultivation measures and comprehensively apply them to combating drought. The drought-stricken western localities have many power-operated wells. Power supply has been tenuous in these localities. Power supplies for industrial enterprises in cities and towns should make way for the antidrought work so as to ensure urgent power supplies for combating drought. Drought-stricken areas should consider the work of combating drought and ensuring growth of seedlings as a central task in the countryside. The relevant departments of provincial-level should organize work groups to help townships and towns combat drought. Priority should be given to helping impoverished households without draft animals, machines, and water resources. In areas where sowing has not yet been carried out because of drought, efforts should be made to mobilize people in cities and towns to aid in sowing, and to ensure that all arable lands available will be sown by the end of this month. The northern and eastern counties and state farms where sowing has not yet been completed should exert their utmost to sow all fields and lands so as to end the spring plowing with success from start to finish.

#### HEILONGJIANG PEASANTS BUY TRACTORS TO TILL LAND

OW281425 Beijing XINHUA in English 1305 GMT 28 May 84

[Text] Harbin, May 28 (XINHUA) -- peasants in Heilongjiang Province have purchased 71,300 tractors to work the collective farmland that they have contracted to manage.

Other peasant families have contracted with their collectives to drive 28,900 collectively-owned tractors. This represents a major change in the management of farm machines, according to the provincial Farm Machinery Bureau. Previously all tractors were owned and managed by communes and their sub-divisions. Individual purchases began last year when the province introduced the household-based responsibility system. Now 83 percent of the 67,000 small tractors and 40 percent of the 34,500 medium-sized tractor being used in the province's rural communes and their sub-divisions are privately owned. But 94 percent of the large tractors are owned by rural collectives.

The change in the management system has prompted the peasants to buy tractors and make better use of them and will speed up the pace of farm mechanization in the province, according to the provincial Farm Machinery Bureau. Sparsely populated, northmost Heilongjiang Province has more farmland per capita than most of the other provinces in China. Some peasant families have contracted to farm as much as 30 to 60 hectares of farmland each, while the national average is less than one hectare. Even in the more populous areas of the province, many families farm 10 to 15 hectares each and need tractors to accomplish their farm tasks, in ploughing, sowing, farm produce processing and other operations.

Some 2,000 peasant families have set up small mechanized or semi-mechanized farms by buying tractors as well as tractor-drawn ploughs, sowers and other machines.

Apart from cultivating the land they have contracted for, many peasants also use their own tractors to plough fields for other families. They charge the other families fees fixed by the state, no more than those asked by state tractor stations. When the tractors are not used for tillage or transport, their diesel engines are often set in motion to power farm products processing machines. Under the contract responsibility system, all peasants have to pay agricultural tax, sell a fixed amount of grain and other products to the state and pay a sum which will go to the public accumulation and welfare fund. The peasants who have contracted to drive collectively-owned tractors have to pay fees for the machines. The rest of the annual harvests and earnings of the peasants were at their own disposal.

#### JILIN GOVERNMENT DELEGATION LEAVES FOR CANADA

SK230626 Changchun Jilin Provincial Service in Mandarin 2200 GMT 27 May 84

[Text] At the invitation of Grant Devine, premier of Saskatchewan Province, Canada, the Jilin Provincial People's Government goodwill delegation headed by Zhao Xiu, governor of the province, left Changchun City by train on 27 May for Beijing Municipality from where the delegation will go to Canada to attend the 6 June signing ceremony at Regina City for the agreement establishing sisterhood between Jilin and Saskatchewan Provinces. During its visit, the delegation will hold talks with the Canadian side on exchanges and cooperation in agriculture, industry, trade, science, and technology.

The delegation is composed of by Gao Wen, secretary general of the provincial People's Government; (Bi Kebin), director of the provincial foreign affairs office; (Wang Yaolin), director of the provincial economic and technical coordination office; (Li Decheng), vice chairman of the provincial economic commission; and (Liang Qichang), section leader of the provincial foreign affairs office.

Following its tour in Canada, Governor Zhao Xiu and his entourage will conduct other observation tours in response to the invitation of France and Denmark. They will tour the two countries to view their agricultural production and foodstuff processing industries, and will hold talks in the two countries on the possibilities for economic and technical exchanges and cooperation.

Seeing them off at the railway station were Liu Jingzhi, secretary of the provincial CPC Committee; Huo Mingguang, deputy governor of the provincial People's Government; (Wang Jingyu), secretary general of the provincial CPC Committee; Gao Dezan, deputy governor of the provincial People's Government; (Wang Ke), deputy secretary general of the provincial CPC Committee; (Li Qiang) and (Liu Shiren), deputy secretaries general of the provincial People's Government; and responsible persons from the departments concerned.

#### JILIN OFFICIAL INSPECTS DROUGHT-STRICKEN AREAS

SK270743 Changchun Jilin Provincial Service in Mandarin 2200 GMT 26 May 84

[Text] Over the past few days, Qiang Xiaochu, first secretary of the provincial CPC Committee, visited rural areas in Huaide, Changling, and Nongan Counties where damage to crops by drought is relatively serious in order to conduct an on-the-spot investigation of the drought situation.

During the investigation, he talked with cadres and peasants about combating the drought reseeding work and in the course of investigating the drought situation, summed up the lessons of bad and dry seeds, studied measures and experiences on combating drought to ensure sound growth of seedlings, and spoke highly of the revolutionary spirit of the large number of cadres and peasants in fighting drought.

Since mid-April, Huaide, Changling, and Nongan Counties have had no rainfall; a large acreage of bad and dry seedlings has emerged; and the damage to crops by drought has become worse and worse. Thanks to the attention of all levels of party and government organizations, the active efforts of cadres and peasants, and the proper measures, a great victory has finally been won in the campaign to combat drought to ensure the growth of seedlings because the peasants worked against time to create moisture and reseed the fields.

When Comrade Qiang Xiaochu caught sight of the moving scene in which cadres and peasants of the drought-stricken areas were making concerted efforts to fight drought and reseed the fields with great confidence, he said: Such great enthusiasm in combating drought is an important guarantee for minimizing the damage by drought and reaping a good agricultural harvest. The reason why we can achieve such good results in such a serious drought is that the party's policy on letting the people become prosperous and the household output-related contract system has greatly mobilized the enthusiasm of the masses and cadres. Under the new situation in which the relationship between production and productivity has been readjusted constantly, a new situation has also emerged in relations among the people. Such a situation in which neighbors help one another in farming was seldom seen during the period of doing things in a large-scale and unplanned way. Relations between cadres and the masses have also changed. Cadres of various brigades, towns, and townships have gone to the forefront of combating drought to fight side by side with the masses and solve practical problems for the masses by every possible means. All party, government, military, and mass organizations and all trades and professions have given manpower and material assistance to drought-stricken areas.

When he spoke to pertinent cadres of various prefectures, counties, and townships, Comrade Qiang Xiaochu stressed: Although we have won a major victory in the current campaign to combat drought, the complete and final victory has not yet been won. Therefore, all drought-stricken areas should constantly conduct the campaign to combat drought in order to ensure growth of seedlings in line with local situations and should concentrate major efforts on combating drought and reseeding fields. By no means should we relax in combating drought whenever there is a drought and on no account should we withdraw our force until complete victory.

Comrade Qiang Xiaochu called on the masses to attend to the following tasks:

1. Cadres and the masses should foster firm confidence in achieving success in the campaign to combat drought to reap a bumper crop. We hope that there will be heavy rains, but we should not trust in luck. Whenever drought ravage exists, we should continue to combat drought. We should never accept things as they are and should not fail for lack of a final effort. We should not only combat drought, but also prepare to resist insects, windstorms, and hailstorms.
2. We should strengthen technical guidance, stress scientific farming, and respect experts' suggestions so as to ensure the quality of reseeding and supplemental planting of seedlings. We should adopt the scientific measures of creating moisture and force buds so as to make seedlings germinate sooner, hasten the maturity of crops, and save manpower and water consumption.
3. We should adopt various material and scientific methods to strengthen the trauma-resistance ability of crops. The people should join efforts to resist natural calamities in line with the specific situation of manpower and material capacities.

4. We should vigorously mobilize all trades and professions to support the disaster areas. Pertinent departments should help disaster areas solve their shortage of equipment to use power, pump water, and transport water so as to achieve success in the work of combating drought.

5. We should give different guidance in different cases and pool manpower and material resources to fight a war of annihilation so as to ensure both the growth of seedlings in key grain zones in disaster areas and the growth of seedlings of poor households.

While investigating, Comrade Qiang Xiaochu discovered that in the same place, some seedlings were growing well, while others were growing poorly. Having talked with the peasants, he came to understand that the seedlings of those who had made soil preparations, sowed seeds with tractors, and sowed seeds in a timely or earlier manner, were growing well. On the contrary, the seedlings of those who failed in this regard were growing poorly.

Comrade Qiang Xiaochu said: We must conduct investigation and study on the current drought combating campaign, conscientiously sum up experiences and lessons in this regard, master regular patterns, and arm cadres and the masses so as to overcome the calamities and strive for a sustained and stable development in agriculture.

#### LIAONING OFFICIALS ATTEND LABOR DAY EVENTS

SK290234 Shenyang LIAONING RIBAO in Chinese 1 May 84 p 1

[Excerpt] On the evening of 30 April, Liaoning Province, the Shenyang PLA units, and Shenyang City held soirees separately at the Liaoning People's Theater, the Bayi Theater, and the Shenyang City Cultural Palace to mark the "1 May" International Labor Day.

Li Desheng, political member of the CPC Central Committee, and commander of the Shenyang PLA units, attended one of the soirees. Present at the soiree were leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, and the provincial CPPCC Committee, including Guo Feng, Dai Suli, Quan Shuren, Wang Guangzhong, Li Guixian, Chen Suzhi, Li Tao, Shen Yue, Zhang Xincun, Chen Yiguang, Xie Huangtian, Gu Jingxin, Liu Zenghao, Feng Yousong, Sun Qi, Zhang Zhiyuan, Zuo Kun, Peng Xiangsong, Song Li, Wang Kuncheng, Yu Jingqing, Liu Mingjiu, and Yue Weichun. Leading comrades of the Shenyang PLA units -- Liu Zhenhua, Yuan Jun, Gao Ke, Zhao Xianshun, Zhang Wu, and He Youfa -- were present at the soiree. Also present were leading comrades of Shenyang City, including Wang Danbo, Li Changchun, Ren Dianxi, Deng Zhongru, Wu Tieming, and Xiao Zuohan, advanced personages, commanders and fighters of the PLA units, and mass representatives. A total of more than 5,000 persons attended these three soirees. Gu Jingsheng, chief of the liaison group of the CPC Central Committee's Party Rectification Guidance Commission, also attended the soiree.

REPORTAGE, COMMENT ON DENG XIAOPING 25 MAY REMARKS

## Three Points Disclosed

HK260205 Hong Kong TA KUNG PAO in Chinese 26 May 84 p 1

[**"Special Dispatch": "Xu Jiatun Discloses to Hong Kong and Macao Reporters Yesterday Three Points in Deng Xiaoping's Talk"**]

[Text] Beijing, 25 May — Deng Xiaoping talked about the Hong Kong issue while meeting with NPC deputies and CPPCC members from Hong Kong and Macao this morning. After the meeting, Xu Jiatun, NPC deputy and director of the XINHUA NEWS AGENCY Hong Kong Branch, disclosed to Hong Kong and Macao reporters three points in Deng Xiaoping's talk:

1. China will station troops in Hong Kong after recovering sovereignty over it in 1997. This is a major question of principle involving sovereignty. This is a symbol manifesting China's sovereignty over Hong Kong and is needed to maintain Hong Kong's prosperity.

2. We welcome more friends from various walks of life in Hong Kong to visit the interior. We also express welcome to members of the two councils, including Mr S.Y. Chung, if they are willing to come back and have a look.

3. There are many things to do during the 13-year transitional period. However, there is one point particularly important, and this is to jointly maintain Hong Kong's stability and prosperity.

Xu Jiatun said Deng Xiaoping had said that Hong Kong's stability and prosperity required the stationing of troops. If troops are sent to Hong Kong only after problems occur in Hong Kong's defense or after other chaos occurs, the impact will be even greater. If troops are stationed there, they can help stabilize the situation even if chaos occurs abruptly. Hong Kong's social order will still be maintained by the police, and the Army will not be involved in social order problems. The stationing would mainly be precautionary measures.

Xu Jiatun also disclosed that Deng Xiaoping welcomed visits by civil servants and policemen to the interior. In the future, civil servants and policemen, including those from foreign countries will continue to be employed. In the future, Hong Kong may still employ foreigners, and their economic treatment will remain unchanged. Deng Xiaoping also said the Hong Kong issue will certainly be solved satisfactorily so that the people in Hong Kong will be contented. Everyone can set his mind at rest.

## Further Details

HK270106 Hong Kong SOUTH CHINA MORNING POST in English 27 May 84 p 1

[Report by Garmen Chan: "Deng Sets Date for Final Pact"]

[Text] Beijing, 26 May — An initial joint announcement on Hong Kong can be expected by September and a final agreement could be reached by the end of the year, China's top leader has said. Mr Deng Xiaoping made the remarks to a group of Hong Kong and Macau deputies to the National People's Congress and Chinese People's Political Consultative Conference yesterday.

And the director of the Hong Kong branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, has said that a drafting committee and a consultative committee are to be set up to draft the basic laws for Hong Kong. Mr Xu said the two committees were different. The drafting committee would be set up in Peking while the consultative committee would be in Hong Kong. Mr Xu also said the Hong Kong branch of the NCNA would not play an official part in the consultative committee, but did not elaborate.

Mr Deng's timetable was disclosed today by sources close to the meeting. He reportedly spoke optimistically of an early solution to the talks. Mr Deng's remarks seemed to be in line with what Chinese legal experts said last week -- that the Chinese State Council was empowered to initial the agreement and the NPC or its Standing Committee would then ratify it to give it binding effect. Observers saw the scenario as entirely feasible. An initial announcement in September could give the British Parliament time to debate the issue before a final agreement by the end of the year. Hong Kong observers said Mr Deng's remarks appeared to be in line with the suggestions by some members of the House of Lords. Several called for a two-stage agreement -- a broad outline followed by a more detailed one. Speculation has been rife that Peking is soft-pedalling on its self-imposed September deadline on the talks.

Observers said that with Mr Deng's timetable, China could still keep its September deadline, but at the same time have more time for both sides to work out a more satisfactory agreement -- which would boost confidence in Hong Kong.

Mr Deng's remarks on Friday, about the garrisoning of Chinese troops in Hong Kong, made headlines today in all Chinese papers, including the English-language CHINA DAILY. But his angry attack on two senior Chinese officials, Mr Huang Hua and Geng Biao, for talking "absolute rubbish" was not reported.

Mr Xi Jiatun, referring to Mr Deng's remarks on Friday, said Chinese leaders had not openly said they would welcome UMELOCO members to Peking. Asked to comment on recent rumours that certain CPPCC members had been approached to sit on the Legislative Council, Mr Xu said he did not think it would run counter to CPPCC regulations for members to do so.

Most CPPCC members from Hong Kong will return to the territory tomorrow after the close of the current session of the Sixth National Committee of the CPPCC in the Great Hall of the People this morning. The members today passed a resolution "staunchly" supporting the Chinese Government's resumption of sovereignty in 1997 and the special policies to be adopted afterward. They also firmly believed that the Hong Kong question would have an early solution and the "grand task" of the reunification of China would be achieved.

#### UMELOCO Officials' Remarks

HK251258 Hong Kong Domestic Service in English 1000 GMT 25 May 84

[Text] Following Mr Deng's statement, two UMELOCO [Unofficial Members of the Executive and Legislative Councils] members, the senior unofficials, Sir S.Y. Chung and Mr T.S. Lo, questioned whether it would be advisable for China to send troops to Hong Kong after 1997. The two unofficials said there was no doubt that China would have the right to send troops here after 1997 as it would then have sovereignty over the territory, but they said Peking should consider the reaction of the Hong Kong people to having Chinese troops here and whether it would be either necessary or wise for China to send troops here. The two unofficials said that they were not representing UMELOCO as a whole as members have not had the chance to discuss the issue yet.

#### Businessmen's Reaction

HK260457 Hong Kong SOUTH CHINA MORNING POST in English 26 May 84 p 6

[Article by Francis Li: "...But Fears of Trouble at Top"]

[Text] Local businessmen and economists expressed fear yesterday that there may be deeper meanings behind Mr Deng Xiaoping's declaration of the right to station People's Liberation Army troops in Hong Kong after 1997. They feared it could be a sign of discrepancies or differences among the Chinese leadership in the wake of conflicting statements made by various Chinese officials and Mr Deng's strong denial of their authenticity.

Mr Deng yesterday stressed that earlier statements made by unauthorized officials who said there would be no PLA presence in Hong Kong were invalid. But locally it was unanimously agreed that the clarification, in view of the many contradictory statements reaching Hong Kong from China, was a healthy development. And while the physical presence of PLA soldiers in Hong Kong did not arouse too much gloomy talk, Mr Harry Garlick, the acting Executive Director of the Hong Kong General Chamber of Commerce, was worried about the meaning behind the presence. He feared it could be "one of the signs of restrictions we have to follow."

Mr Garlick believed the PLA role here will be similar to that of the British troops now in Hong Kong -- maintaining law and order. But Mr Garlick said British troops here, unlike their PLA counterparts, are nonpolitical. So the presence of the PLA could have some impact on the confidence of local businessmen about their ability to conduct business strictly according to commercial judgments. Mr Garlick was curious about the "timing" of Mr Deng's statement. He suspected Mr Deng might have been "rather apprehensive" about the conflicting nature of recent statements from Peking officials and that the announcement was aimed at people in China rather than in Hong Kong.

Dr Edward Chen, director of the Center for Asian Studies at Hong Kong University, sensed there might be a hidden message behind the declaration despite much publicised local people's fears about the PLA's presence in Hong Kong. It could mean that internally a unanimous Chinese policy over Hong Kong after 1997 is yet to be reached, he said.

"The fact that Mr Deng insisted in sending troops down to Hong Kong in spite of the expressed fear might also mean that China will ignore the wishes of local people when there is a conflict of interests between Hong Kong and Peking," he added. And the declaration may well indicate that such a principle would be extended to other areas, irrespective of Hong Kong's wishes, Dr Chen said.

The director of the American Chamber of Commerce, Mr John Goudey, yesterday said American businessmen remain positive about the future of Hong Kong. While avoiding comment on Mr Deng's statements directly, Mr Goudey said he is confident of a "sure-win solution" to the future of Hong Kong in view of the strenuous efforts by both the British and Chinese governments. There will be "too much to lose, too much at stake" if a satisfactory agreement could not come out of the Sino-British talks, he said. Despite jitters about the future, Mr Goudey said he did not see any long-term problems with Hong Kong, taking into account its good track record and recent upsurge in trade figures.

#### CPPCC Delegate's Statement

HK280152 Hong Kong SOUTH CHINA MORNING POST in English 28 May 84 p 16

[Article by Julina Chan: "PLA Troops Here Part of the Agreement, Says Ho"]

[Excerpt] The garrisoning of People's Liberation Army troops in post-1997 Hong Kong will be included in the Sino-British agreement. Mr Ho Sai-chu, a local delegate to the Chinese People's Political Consultative Conference, told reporters this on his return from Peking yesterday. He said at Kai Tak Airport that the sensitive issue was brought up in CPPCC panel meetings after delegates met the Chinese leader, Mr Deng Xiaoping. Mr Deng announced last week for the first time that he would station his troops here. Mr Ho did not elaborate on what was discussed.

He was one of 20 Hong Kong and Macao CPPCC delegates who returned after the close of the current session of the Sixth National Committee of the CPPCC on Saturday morning. Others who returned with him were Mr T.K. Ann, Mr Wu Duotai, Mr Szeto Fai, Mr Jiang Wengui, Mr Xu Siming, Mr Mou Runsun and Miss Xia Meng. About 10 local CPPCC representatives are still in China.

The delegates were tightlipped about their trip. Only Mr Ho was willing to talk to the media about the 15-day conference in Peking. He said the CPPCC meetings were conducted in a "democratic and frank" atmosphere and that he and his colleagues were free to express opinions.

"Some members went as far as to criticise the Government and there were suggestions for improvement," he said. He said he and fellow delegates would continue to canvas public opinion over the territory's future and reflect the views of Hong Kong people that had not already been passed on to Peking. He refused, however, to reveal details of their discussions with Chinese leaders on Hong Kong's future. Nor would he divulge anything of the discussions held at the numerous CPPCC panel meetings on Hong Kong. To do so, he said, would breach an agreement to maintain confidentiality.

Mr Ho said, however, that most of what the Chinese Prime Minister, Mr Zhao Ziyang, had said in the government's working report delivered at the opening of the National People's Congress would be included in the Sino-British agreement. On May 16, in a lengthy message outlining China's plan for Hong Kong, Mr Zhao said that to maintain the stability and prosperity of the territory, a series of special policies towards it would be adopted "upon the resumption of China's exercising of sovereignty."

'Leftist Press' Concern

HK270114 Hong Kong SOUTH CHINA MORNING POST in English 27 May 84 p 10

[Report by Terry Cheng: "Leftist Press Worried by Deng Shock"]

[Excerpts] Mr Deng Xiaoping's attack on two senior officials about the presence of Chinese troops in Hong Kong has caused concern in local leftwing circles. And some local newspapers have interpreted his surprise remarks as a manifestation of power struggles within the Chinese leadership on the Hong Kong issue. Mr Deng told Hong Kong and Macau reporters and delegates to the National People's Congress in Peking on Friday that China would deploy troops in Hong Kong after it regained sovereignty and dismissed statements by two senior officials as "absolute rubbish."

Former defence minister, Mr Geng Biao, said China would not send troops to Hong Kong after 1997, while former minister, Mr Huang Hua, spoke about Hong Kong's own representation in the United Nations after 1997.

WEN WEI PO and TA KUNG PAO did not comment on the issue. A leftwing source admitted they were concerned Mr Deng's remarks might give the impression that Chinese leaders are split on the Hong Kong issue. "This may shake the confidence of the local people on China." It is understood that pro-China people were still interpreting Mr Deng's remarks and the possible effect on Hong Kong public opinion. Some independent newspapers interpreted Mr Deng's remarks as a manifestation of power struggles within the Chinese leadership.

The EXPRESS [FAI PAO], in a commentary, said in view of conflicting remarks by Chinese leaders "a drama is unfolding on the Chinese political stage." It said: "Huang Hua and Geng Biao apparently made their remarks with the support of others. Deng Xiaoping could feel it is time for him to put down his conservative opponents before it is too late."

The HONG KONG ECONOMIC JOURNAL [SHUN PO] said Mr Deng's decision to reprimand two senior officials was intended.

"Perhaps he wants to give a lesson to those high-ranking officials who are opposed to his policy toward Hong Kong."

He has achieved this goal, but it is inevitable that the confidence of Hong Kong people has become even more fragile, the newspaper said.

It said the incident showed that in a communist country those who are in power could do whatever they like and this would not be acceptable to people who cherish freedom and human rights.

The HONG KONG DAILY NEWS took a positive view of Mr Deng's remarks.

It said the stationing of soldiers did not imply a military intervention. It said the most important point of Mr Deng's remarks was about the two senior officials.

He was frank and willing to be held responsible, it said. Chinese University students doubted the wisdom of Mr Deng in insisting on sending the PLA into Hong Kong.

It is unquestionable that Hong Kong's sovereignty belongs to China and defence matters should therefore be in the hands of the Chinese Government, but sending troops to Hong Kong is not necessary, a student union statement said. The union also asked the Chinese Government to pay special attention to the delegation of power to the Army which will be stationed here.

One question is whether the highest command of the Chinese Army will rest with the Hong Kong or the Peking government. The union also warned of the possibility of conflicts between the PLA troops and local people because of their different ideas and lifestyles.

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